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FBIS-SOV-96-146 *29 July 1996*

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CIS: ITAR-TASS Carries Press Review for 27 Jul

LD2707063096 Moscow ITAR-TASS in English 0510 GMT 27 Jul 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, July 27 (Itar-Tass) — 'IZVESTIYA publishes a report from a secret forest camp of Dudayev militants, entitled "Who is the master in Chechnya?" It follows from the report that Moscow has turned the initial conflict into a people's war, which became a sacred war for many Chechens. Wars against the people are practically impossible to win, even by winning combat operations. What the IZVESTIYA correspondent saw with his own eyes in the camp is totally at variance with official statements about the situation of the militants and, which is most important, it is at variance with the latest statements of Doku Zavgayev and the generals, who say that the war is over and the only thing left is to rout some small groups.

ROSSIYSKAYA GAZETA carries a number of articles under the following headlines: "Lev Rokhlin does not go back on his words" (he is even glad that one of the generals, mentioned in his exposure, sued him), "Lebed misunderstood again" (it deals with his statement about a possibility of NATO's expansion in Eastern Europe) and "All is calm in Minsk" (about the response of the Belarusian authorities to Viktor Ilyukhin's statement, who said that there existed an 'American' conspiracy against Belarus). All those articles deal with the consequences of the recent scandalous statements made by some politicians.

The newspaper publishes an article entitled "The Russian Navy will not let the country down," about the beginning of massive celebrations on the occasion of the 300th anniversary of the Russian Navy and one of the most impressive events in the celebrations — the biggest naval parade, due to be held in St. Petersburg on Sunday.

An article entitled "Striptease of fixed-post spies," which is also published by ROSSIYSKAYA GAZETA, deals with the unique book, written by former fixed-post spies of the Soviet intelligence service, who worked in various countries. The book is entitled "KGB travelling guide round the world."

ROSSIYSKIE VESTI frontpages an article entitled "Order is not decoration, but symbol of presidential powers." It deals with the forthcoming inauguration of President Yeltsin. During the inauguration ceremony the supreme decoration of Russia — the Order "For Services to Motherland," first degree, with a golden chain — will be conferred on Yeltsin. The presentation of the order is envisaged not only because inauguration ceremonies in other countries include similar procedures, but also because it is in line with old Russian traditions.

The newspaper carries an article entitled "We should not take revenge, but we should remember," in which it calls attention to the fact that "every time after a victory over the threat of communist restoration, be it in 1991, 1993 or 1996, the euphoria of warding off the threat for the time being gets an upper hand over the common sense of those, who have just defended the nation against the return to the gloomy and distorted world of 'real socialism.' Those people remember about the mistake only when prospects of another political crisis, or rather of another communist attack, become real."

KRASNAYA ZVEZDA writes about the publication of the Memory Book with the names of officers and men, who were killed or reported missing during the Great Patriotic War. A decision on the publication of the Memory Book was taken seven years ago. The newspaper carries an article about the Day of the Navy, to be observed on July 28.

KOMSOMOLSKAYA PRAVDA frontpages an article entitled "Boris Fedorov waiting for another bullet." The newspaper's correspondent interviewed the former president of the National Sports Fund, who got a bullet wound and was stabbed with a knife eight times this summer. Now he is undergoing medical treatment in a clinic in one of the West European countries.

CIS: Economic Union Approves Main Points of 96-97 Integration Plan

LD2607125796 Moscow INTERFAX in English 1155 GMT 26 Jul 96

[FBIS Transcribed Text] MOSCOW, July 26 (Interfax) — The Economic Union of the Commonwealth of Independent States (CIS) on Friday approved the main points of a plan for the mutual economic integration of Union member countries in 1996-97.

The plan, approved by the presidium of the Interstate Economic Committee (MEK) of the Economic Union at a meeting in Moscow, is aimed to remove more customs and monetary barriers between CIS nations, Russian Deputy Prime Minister Aleksey Bolshakov, who chaired the meeting, said.

He complained that some of the Commonwealth states were less active in developing integration than others and that this was one of the main obstacles in MEK's work.

"Namely, some of the states which have signed the Economic Union Treaty fail to meet their commitments

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to supply information and make proposals necessary for the work of MEK and its interstate bodies," Bolshakov said. "If we are in earnest about cooperation, this attitude must be changed as soon as possible."

"The integration processes in the CIS are contradictory," he continued. He called for quickly drawing up proposals to coordinate the economic policies of Commonwealth states and make their legislation more similar.

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Russia: Reaction to Ilyukhin Remarks Suggests 'Grain of Truth'

MK2707122196 Moscow NEZAVISIMAYA GAZETA in Russian 27 Jul 96 p 1

[Report by Dmitriy Gornostayev under general headline: "The United States Increases Its Military-Political Influence in the Post-Soviet Space. Viktor Ilyukhin's Expose Is Indirectly Confirmed by Washington's Direct Action"]

[FBIS Translated Text] The first reaction abroad to the statement by Duma Security Committee Chairman Viktor Ilyukhin about the CIA's ill intentions with respect to Belarusian President Alyaksandr Lukashenka came from the U.S. intelligence establishment. A brief statement from Langley, circulated yesterday, says: "The allegations that the Central Intelligence Agency is going to remove the Belarusian president from office is utter nonsense." A little later came a statement by the U.S. State Department describing Ilyukhin's accusation as groundless, stressing the friendly character of relations between Minsk and Washington, and recalling that the United States was among the first to recognize the independence of Belarus. This document was cited to your correspondent by Robert Hilton, representative of the U.S. Embassy in Moscow, in a telephone conversation.

Warsaw, which was also berated in Ilyukhin's statement, reacted a bit later. Even so, Polish Internal Affairs Minister Zbigniew Siemiatkowski categorically denied the report that CIA agents in Poland are preparing a subversive operation against Belarus. Lechec Miller [name as transliterated], chief of the Polish Council of Ministers administration, who incidentally is now in New York, assessed the statement by the Russian Communist parliamentarian as a provocation.

This would seem quite a normal reaction. What is noteworthy, however, is that earlier, the Americans did not deem it necessary to respond to such statements, which, for instance, were lavishly produced by Vladimir Zhirinovskiy. The phrase: "A CIA provocation, you bet!" which became an aphorism, for some reason did not attract Washington's attention. At least the Americans never refuted Zhirinovskiy's statements in public.

Now, however, the situation is somewhat different. Ilyukhin's remarks were taken seriously, and reaction to them was instant and diplomatic, without comments about the deputy's political orientation, which was occasionally practiced by U.S. politicians in the past.

Reports from various sources suggests that Viktor Ilyukhin's statement contains a substantial share of truth. U.S. activity in the former USSR states is becoming more and more conspicuous, its main targets being the two Slav republics: Belarus and Ukraine.

Russia: Ilyukhin Claims of CIA Belarus Plot Dismissed as 'Ravings'

MM2607195396 Moscow IZVESTIYA in Russian 27 Jul 96 p 3

[Report by Maksim Yusin and Gennadiy Charodeyev: "From Security to Danger Syndrome Is Just One Step. Communist Viktor Ilyukhin Took That Step Last Thursday [25 July], Losing His Image as Somebody Who Is Well Informed and Acquiring the Reputation of Somebody Who Cannot Think Straight"]

[FBIS Translated Excerpt] The sensational statement by Duma Security Committee Chairman Viktor Ilyukhin that the CIA is planning to overthrow Belarusian President Alyaksandr Lukashenka has provoked disgusted indignation from Americans, uncontrolled guffaws from Poles, dumbfoundedness from Belarusians, and comments of "completely bonkers" in Russian political circles. [passage omitted]

The CIA immediately responded to Ilyukhin's allegations, calling them "utterly ridiculous." As far as we know this is the first and last reaction from the CIA, which stresses that on principle the agency does not comment on other people's ravings.

Having gone through their computer files at IZVESTIYA's request, staffers of the competent Russian organs were unable to establish the existence of a CIA Colonel Paul Heyborth who, according to Ilyukhin, is hatching the anti-Belarusian plot in Poland.

Tatyana Samolis, press secretary to the Russian Foreign Intelligence Service director, told IZVESTIYA that her department, which deals professionally with America and Poland among others, has nothing to do with the information circulated by Ilyukhin at his press conference.

Ilyukhin himself, whom we managed to contact, categorically refused to reveal his sources of information: "I am chairman of the State Duma Security Committee. That says it all. I have very good links with both former and serving special services staffers. Unfortunately I cannot tell you any more.... I am not revealing my sources of information even to party leader Zyuganov."

We express our heartfelt sympathy to Zyuganov on this subject. But nonetheless why did Ilyukhin have to cause such a major international furor? Radio Liberty's Belarusian service suggested a highly original explanation. In its opinion certain members of the "people's patriotic bloc," after the defeat in the presidential election,

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would like to remove Zyuganov from the left-wing opposition leadership and replace him with...Alyaksandr Lukashenka, who could attract the votes of voters who are experiencing nostalgia for the USSR.

However, this scenario looks no less fantastic than the story that gave rise to it. Although it must be acknowledged that any interpretation of the stream of suspicious consciousness, which is what Ilyukhin's revelations essentially are, is bound to be like that — if the primary source is in the genre of ravings, the responses are bound to be in the same genre.

It remains to note that Aleksandr Shokhin, first vice speaker of the State Duma, who in the absence of Speaker Gennadiy Seleznev is fulfilling his duties, offered his apologies to Belarusian Supreme Soviet deputies for the comments made by Duma Security Committee Chairman Ilyukhin. Addressing journalists Friday [26 July], Shokhin said: "I would like to offer a public apology for the insinuations contained in V. Ilyukhin's speech."

Russia: CIA Accused of Stepping Up Anti-Russian Activity

MK2707122796 Moscow NEZAVISIMAYA GAZETA in Russian 27 Jul 96 p 2

[Report signed by "Colonel Ivan Ivanovich Ivanov, directorate chief," under the "Carte Blanche" rubric: "The New Direction in CIA Activity Is, Again, Anti-Russian, As It Used To Be"]

[FBIS Translated Text] Despite demonstrative statements by the U.S. political leadership about facilitating a partnership relationship with Russia, the American Administration continues to regard our country as a power that poses a whole set of threats to America's vital priorities. This was the reason for including it on a "black list."

The list also includes such states as Serbia, Iraq, Haiti, and so forth, regarding which the White House pursues a hard line toward suppressing their national and historical interests, while at the same time creating functional systems in order to exercise control over the foreign and domestic policies of these subjects of international law. In the new international conditions this direction in U.S. policy has come to be called "support for democracy abroad."

If a country cannot be turned into an obedient puppet for one reason or another, the overseas rulers of world destines resort to time-tested methods of economic blockades and embargoes, punishing peoples for the intransigence of their leaders.

Any attempts by the Russian leadership to devise an objective security concept that would clearly define the national-state interests of the Russian Federation and, therefore, its policy with regard to the United States and other countries, have aroused Washington's undisguised concern.

Bending over backwards in order to have influence on all processes that are under way in our country, the U.S. Government, despite its budget deficit, spends the bulk of funds appropriated for the U.S. intelligence community ($30 billion) on operations against Russia and its potential allies.

Officials in Washington consider integration of the republics of the former USSR as a threat to U.S. national security. Differences that crop up on the path toward closer ties between Ukraine and Russia are welcomed and stirred up by all means. This alliance allegedly poses a particular threat to Washington because of Ukraine's geopolitical situation in Europe.

At the same time, the Europeans operate in close linkage with the United States, giving their share of financial support to radical Ukrainian nationalist organizations, which in fact obstruct the integration of the two Slavic states.

All agencies involved in shaping the U.S. foreign policy strategy, first of all the CIA, have been recommended to mobilize all their capabilities in order to exert pressure on political circles in Ukraine, Belarus, and other CIS countries. Meanwhile, they were advised to act in a more flexible and targeted manner, so that the Kremlin will be unable to accuse Washington of obvious attempts to "Americanize" Russia's actual allies.

According to a well-informed source, it was deemed essential to shift emphasis in the work with Russian politicians and military leadership onto the territory of the United States and NATO member states. For this purpose it was recommended to use on a wider basis personal invitations to attend all sorts of seminars, symposiums, and meetings, as well as private trips of "persons of interest," with the expenses paid for by the receiving side. Regional political elites also find themselves exposed to this special patronage.

Furthermore, it has become public knowledge that a coordinating meeting of the U.S. Administration, attended by representatives of the CIA, made a decision to task the Departments of State and Defense, as well as the FBI and CIA, with drawing up a timetable for arranging trips to Western countries for leaders and activists of political parties, scholars, and top military commanders from Russia and the CIS countries, envisioning special intelligence service operations targeting them.

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The CIA leadership has authorized its field agents to carry out large-scale operations to acquire Russian sources from the closest entourage and staff of the president, the Security Council, the Foreign Ministry, and special services.

Those designated as primary targets of the U.S. intelligence services are persons who have access to information on the process of decisionmaking by the Russian leadership on crucial state decisions, particularly those relating to national security.

Given the extraordinary "investment" capabilities of the U.S. intelligence community and the existence of a pro-American lobby in Moscow (Burbulis, Gaydar, Kozyrev, Starovoytova, Yavlinskiy, and so forth) it would be logical to suggest that the current reorganization in Russian administrative echelons could be proceeding under the direct control of the American special services.

Clans that are not embarrassed to turn to specialists from the U.S. Department of State and the CIA for advice have directly joined in the fray for influence with the president. Whether the "Westerners" will be able to gain access to the state's decisionmaking mechanism could be judged in the very near future by the direction in which the renewed presidential structures aim their first steps.

Will this movement follow the well-trodden path of the former countries of people's democracy to a society with outward trappings of social prosperity and with an essential indifference [amorfnost] to their place within the system of international relations?

Or will Russia choose a course toward a sovereign (in the full legal sense of this term) evolution, proceeding from its own national-state interests?

Russia: ZAVTRA on Alleged White House Memo

MK2707120496 Moscow ZAVTRA in Russian No. 30, Jul 96 (signed to press 23 Jul 1996) p 1

[Unattributed 'field reports by the DEN security service']

[FBIS Translated Text] According to sources from Washington, the White House, following the end of the election campaign in the Russian Federation, circulated a memorandum. It contains instructions to resume energetic military-political and diplomatic activity that was suspended during the presidential election period with the aim of expanding, to the degree possible, U.S. zones of influence during the transition period in Russia. The document codenames this wide-ranging operation "Explosion" ["Vzryv"]. It is recommended to speed up the formation of the multilevel dependence of the Russian Federation (both external and internal) in order to make irreversible the process of the disintegration of the Russian center of geopolitical influence. Among the main lines of activity proposed by the White House to its departments is the incorporation -- within a limited time frame, de facto, and without legal formalization -- of states bordering Russia (primarily Poland, the Baltics, and Ukraine) into the NATO direct action system; the abolition of the institution of the presidency in Belarus; the dismantling of the pro-Russian zone of influence in the Balkans, with Karadzic and Mladic being taken into custody; and the stepping up of military-political pressure on Moscow in Central Asia and the Caucasus.

The last point is seen as key, because the discovery of colossal oil deposits on the Kazakh shelf of the Caspian Sea, according to U.S. directives, should be placed under international control. To this end it is planned to oust Russia from strategic positions at the center of the Caucasus, which is only possible in the event of a separatist victory in Chechnya, and the building of bypass pipelines via Georgia and other contiguous countries. "It is necessary to put an end to Russian hegemony in controlling energy flows from Central Asia," says the memo sent to the State Department....

The documents originating from the White House call for the consolidation of U.S. positions and levers of impact on the Russian Federation primarily by instituting control over and shaping the activity of various groups in the ruling establishment and in the opposition. The main thrust is placed on preparing a replacement for Yeltsin through the Chernomyrdin-Chubays tandem. To this end Chernomyrdin, in the very near future, is to go to the United States on an unofficial visit. Another line of action is to dismantle the opposition camp and to discredit political figures not amenable to the United States.

Within this framework, it is planned to pursue a tough political and propaganda campaign aimed at cowing the CPRF leadership into supporting the Chernomyrdin-Chubays government, with the latter maintaining an immutable strategic course. The expected result of this will be the alienation of CPRF leaders from their social base, which will be much more radical than the Communist establishment in the State Duma. The result will be the fragmentation of the leftist movement and a switchover by national-patriots under the auspices of new leaders like Lebed....

U.S. planners give high priority to measures designed to split the Russian power structures via an antiwar campaign in the mass media. Operation Explosion is expected to produce practical results within the next three to four months, when the socioeconomic tension

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in the country reaches its peak and allows for a "breakthrough" to be accomplished on a number of U.S. strategic goals in the post-Soviet space. These include ratification of the START II Treaty via the CPRF; the elaboration of START III in a direction suitable to the United States (the government and the Yabloko faction in the State Duma); and the virtually full elimination of Russia's global military-strategic capability. On these matters, A. Gore received verbal guarantees from B.N. [Boris Nikolayevich Yeltsin] in the course of their meeting in Barvikha [near Moscow]. True, the U.S. documents express the concern that Yeltsin is capable of bluffing on political, military, and economic matters....

According to a source from Lebed's inner circle, the Security Council and the general's election headquarters have adopted a plan to concentrate all patriotic groupings within a united front working for the promotion of Lebed to the position of [Russian Federation] president. Intensive negotiations are currently under way with representatives of individual parties and newspapers. In this activity emphasis should also be placed on interaction with Luzhkov. After the CPRF faction votes for Chernomyrdin it is planned for the patriots to publicly break with the CPRF and rally around Lebed, who will become a counterweight to the Chernomyrdin-Chubays tandem....

There have been increasing reports coming from sources close to the Kremlin bureaucracy of an ongoing, Chubays-style purge. Meanwhile, B.N. himself has almost fully withdrawn from administrative regulation and is only following recommendations issued by Chubays. B.N. is in a rather serious physical condition in Barvikha. He does not follow his doctors' instructions concerning his regimen, and there are certain doubts about his ability to take part in an hours-long inauguration procedure. As a result Chubays ends up mulling over the excruciating question of how it can be cut to a minimum.

There has been an increasing number of conflicts over the distribution of posts in the future government, which to all appearances will be dominated by the ideas of the Gaydar-Chubays group. These include a tough approach toward funding industries and regions, with a final elimination of the military-industrial complex and massive privatization of the remaining state-controlled stakes (Gazprom)....

According to a plan elaborated by a Chubays-supervised analytical group and approved by the main partners in the West, a source from Bonn reports, the main line of activity of democratic groups and the executive branch should be the intimidation (or corruption) of the CPRF leadership, with the aim of asserting Chernomyrdin as premier. The latter is a necessary precondition for the extension of additional financial resources to alleviate the social and economic crisis this coming fall and winter. "The main task," the directive says, "is to prevent the Communists from realizing the advantage of their position, and to force the opposition to refrain from the temptation of giving the premier a vote of no confidence, with the subsequent conduct of elections to the State Duma in winter amid the freezing of residential complexes and rampant arrears".....

Chubays' inner circle is planning further steps to manipulate the CPRF leadership according to a proven pattern. It this respect it is considered especially important to get Seleznev to support Chernomyrdin. Under this plan, Seleznev in the very near future is to follow the evolution of Rybkin. Subjected to mounting pressure by the mass media calling for his resignation, the speaker is increasingly demonstrating his readiness for compromise, which was clearly manifest in a resolution, adopted on the last day of the State Duma session, demanding a halt to offensive operations by Russian troops in Chechnya. Another strategic task is to get the CPRF to use, once again, the model of 1993-1996, when the Communists suppressed the patriotic bloc, introducing into its leadership not only their own leader but the entire top level of their party. If the Communists create an outwardly independent nationalist center and use it as a base for creating a bloc, analysts believe, it will be practically impossible to stand up to them at any level. In this event the defeat of pro-democratic candidates will be inevitable....

The directors of TV channels and other mass media received instructions to smear Lebed immediately after Rodionov's appointment as defense minister. It is planned to use the entire gamut of means, primarily the Chechen factor. The mass media are, in the very near future, to raise the level of propaganda support for the separatists and to intensify criticism of the actions by Russian troops in Chechnya. In the next three weeks it is planned to intensify the activity of the CSCE group and to launch a "new Nuremberg trial," with the aim of fully demoralizing the military as an institution....

Russia: Primakov-Christopher Compromise on Nuclear Test Ban Treaty

MK2707113996 Moscow KOMMERSANT-DAILY in Russian 26 Jul 96 p 4

[Report by Valeriya Sycheva: "The Main Thing Is To Hit the Current"]

[FBIS Translated Excerpt] Today, Russian Foreign Minister Yevgeniy Primakov is returning to Moscow from Jakarta, where Russia for the first time spoke as

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a full-fledged partner of the Association of Southeast Asian Nations (ASEAN) during the international events organized under its auspices. The highlight of the ASEAN week was, perhaps, the regional security forum, and its main sensation was a joint statement of Primakov and U.S. Secretary of State Warren Christopher in support of the comprehensive nuclear test ban treaty in its present shape. [passage omitted]

Russia, too, has something to say against the document. Hinting at this is a rather curious reservation in the text of the statement, saying that the present variant of the treaty "does not completely satisfy" either Russia or the United States. KOMMERSANT-DAILY has managed to find out among competent circles that Russian objections with regard to the treaty are basically the same as those of Beijing and Pakistan: the treaty observance procedures.

Nevertheless, Washington and Moscow thought it good to compromise by supporting the variant proposed by Ramaker [chair of the Disarmament Conference special committee on banning nuclear tests] and calling upon the other participants in the talks to do likewise so as not to go back to the nuances of the text when the Disarmament Conference session resumes on 29 July and approve it and forward it to the UN General Assembly for signing at the upcoming session.

The current formula is as follows: Participants in the talks are supposed to sign it on condition that it should be ratified by the five countries [members of the nuclear club] or the three countries [capable of producing nuclear arms] without fail. Should the ratification misfire, the pioneers of ratification would get together to exhort those dragging their feet on it. Experts think that the wording of the agreement is rather vague. But the best is known to be the enemy of the good. The signing of the present variant based on compromise is the only realistic possibility to break the deadlock. Clearly, the pressure on those resisting the treaty by Russia and the United State will now sharply increase. In Jakarta, Christopher already did some persuading during bilateral meetings with the head of China's foreign ministry Qian Qichen and [Indian external affairs minister] Kumar Gujral. [passage omitted]

Russia: Primakov Cited on Nonacceptance of NATO Expansion

MM2607120796 Moscow KRASNAYA ZVEZDA in Russian 26 Jul 96 p 3

[ITAR-TASS report: "Russia Will Not Accept NATO's Expansion"]

[FBIS Translated Text] THE NEW YORK TIMES has published an interview given to it in written form by Russia's Foreign Minister Yevgeniy Primakov. When asked: "Does your stance mean that Russia might agree to NATO's expansion provided nuclear arms or NATO forces are not deployed on the territory of new members like Poland, Hungary, and the Czech Republic?", the Russian minister replied: "Not quite. We are talking about the fact that we find it unacceptable to have NATO's military infrastructure expanding right next door to Russia's territory. If NATO's new members are fully integrated in the alliance's military systems — command and control, communications, intelligence, rear supplies, and so on — the deployment of NATO forces on their territory could be effected within a matter of hours. Such a possibility, even though it might be highly unlikely today, will become a factor of uncertainty for us."

Russia, Yevgeniy Primakov warned, is shaping a consensus on the problem of NATO's expansion. "Political forces with the most diverse orientation treat this idea in an identically negative manner. Nonetheless, I am not an advocate of rhetorical confrontation on the question of NATO's expansion and I am convinced that a way out of the prevailing situation might be found through compromise and reciprocal consideration of interests."

Russia: Bogomolov Addresses London Forum on NATO

MM2607142496 Moscow PRAVDA in Russian 24 Jul 96 p 3

[Article by correspondent Pavel Bogomolov: "Europe Not Making Best Choice — Dialogue on Thames Could Not Hide This"]

[FBIS Translated Text] London — The granite and marble corridor of London's Whitehall avenue seemed even more "imperial" than usual in the summer sunshine. The foreign tourists checking their routes against the plaques bearing the name of the Kingdom's main street did not always pause to consider that its name comes from a particular palace with a splendid hall of the same name.

Within this architectural complex is the country's Armed Forces research center — the Royal United Services Institute. This was the setting for a moderately interesting international conference on the future of Europe which brought together high-ranking NATO and Western European Union functionaries, government officials and generals, parliamentarians, and political scientists from America and the Old World, including a number of CIS countries.

Perhaps the only defect of the forum was the slightly long-winded solemnity of its official agenda: "Cooperation and partnership for peace — a contribution to Euro-Atlantic security on the threshold of the 21st century."

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That apart, the discussion revealed very frankly the full range of opinions held in Europe and on the other side of the Atlantic about the future geopolitical evolution of our continent.

Some delegates started from the premise that Europe has already made her choice — freedom and democracy, of course, and all that remains is, so to speak, a matter of technology. NATO technology, to be precise. Others tried to direct the audience's attention to the difference of principle between the two possible political solutions for our long-suffering continent. The worse but unfortunately more popular solution envisages, not to mince words, a military-political divide between Russia and the rest of Europe. In other words, it requires the definitive scrapping of the key results of World War II, which ended with the "short May nights." Maybe it even requires forgetting the war altogether?

On London's conservative Olympus they may not like Yalta and the documents that originated there in February 1945 about the post-war balance of power in Europe and the Far East, but still the unfading significance of World War II's basic outcome and the lessons of the anti-Hitler coalition are not denied here in general. Even an English schoolchild generally knows that a universal evil was jointly overthrown by Russia, Britain, and America.

That is one opinion. Now here is the other, voiced by the Baltic states, whose leaders are really straining to get into NATO and indignant at the "excessive slowness" of this process. Latvian Foreign Minister Valdis Birkavs, who spoke at the conference, would evidently like to give new generations of Europeans the idea that in the last war Moscow and Berlin were...acting together (!)

As for the divine providence which placed Latvia on the picturesque shores of the Baltic, the minister's verdict is: "We are the prisoners of geography" — or, in other words, the Slavs who settled nearby get in our way. As well as geography, it turns out that the Scandinavian countries are also to blame: You see, they do not want to conclude a formal collective security pact with Riga, Tallinn, and Vilnius.

What prompted such an outpouring of offended rhetoric and categorical demands? The answer, on the whole, is clear: Riga's diplomats finally lost their cool when NATO headquarters announced its decision to accept Poland, the Czech Republic, and Hungary as members in the near future. The Latvian leadership is indignant: What is our place in this carve-up? From the banks of the Dvina the special formula of "integrationist deterrence" has even been put forward, that is, frightening the Russian Bear with the Balts' very involvement in the NATO expansion process.

...Ioan Pascu, state secretary at the Romanian Ministry of Defense, is also evidently pressing for a shift from the typically Atlantic "nuclear deterrent" to a "nuclear-integrationist" deterrent. And it does not matter that Romania does not even border on Russia. As Dr. Pascu explained in his speech, what matters is that the following provision be included in NATO documents: The lucky ones who are the first to join the "select club" now must not prevent their neighbors following suit as soon as possible. At whom is this hint directed? Bucharest's old opponent, of course — Hungary. Because as soon as Budapest becomes a NATO capital, the North Atlantic alliance structures will probably be swamped with Hungarian complaints about the intolerable position of Hungarians living in neighboring Romania. And naturally that will not increase the latter's chances of joining NATO.

And oh, what weighty problems the Western bloc is now shouldering! It is being involuntarily "plunged" into the mass of border and religious-ethnic disputes which the East Europeans inherited from the time of the multicolored patchwork that was the Austro-Hungarian Empire. Moreover, there is a recognition of the inescapable need to spend at least $50 billion dollars on technical reequipping and structural reorganization of everything bequeathed by the Warsaw Pact. With this in mind, it is much easier to understand the true reason for recent delays over the question of NATO's advance East.

"...Once the North Atlantic military bloc has drawn nearer Russia's borders, it will be a means of pressure on our country whether or not its war machine is put into action," Academician Oleg Bogomolov, Russia's main speaker at the conference, declared to the builders of the new "cordon sanitaire." Having described "NATO expansion as unacceptable to Russia," he pointed out the naivete of attempts to persuade Moscow "not to be concerned by the admission of Central and Eastern European countries into the North Atlantic alliance. The spread to the East of the alliance's military infrastructure obliges the Russian Federation to insure itself against its unforeseen use."

The academician went on to say that for a long time there had been an important American ingredient in Russian foreign policy. Its inspiration "was the president himself, who naively believed that we can talk on equal terms with the United States and that Russia has a disinterested partner in the Americans." But very soon there were calls "from American geopolitical experts to use the 'victory' in the Cold War and the collapse of the Soviet Union for the further advancement of American interests in Europe and other regions. Does this not explain the appearance of plans for NATO eastward

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expansion, U.S. nonacceptance of CIS reintegration, the new promotion of a 'differentiated policy' toward CIS countries, and the declaration of Ukraine as a sphere of American interests and military guarantees? Are these not all symptoms of a return to a 'position of strength' policy toward Russia?"

Russia: Chernomyrdin: CIS Countries in Zone of 'Vital Interests'

LD2907084496 Moscow INTERFAX in English 0756 GMT 29 Jul 96

[FBIS Transcribed Text] MOSCOW, July 29 (Interfax) — Countries of the Commonwealth of Independent States are a zone of Russia's vital interests, Russian Prime Minister Viktor Chernomyrdin told a conference of Russian ambassadors to CIS states held in Moscow on Monday.

"Russia builds its relations with CIS countries on purely pragmatic foundations, pursuing not only economic, but also long- term politico-military goals," he said. "Russia is interested in being surrounded by friendly states," he explained.

"Because of its geopolitical position and economic and military might Russia represents a field of gravitation in the framework of the CIS," Chernomyrdin said.

Russia's major strategic interest today is to increase payback in all areas of cooperation with CIS countries, he said.

"Time and resources for this are limited," he added.

"Nevertheless the Russian government is ready for this work. This involves the availability of corresponding programs of work in Russia's embassies in CIS states," Chernomyrdin said.

There is a need to have a clear program for developing ties with each CIS country separately, he said. "Our attitude is this: Russia is willing to further cooperation as deeply as each of our partners wishes, and at the level it wants," Chernomyrdin stressed.

With reference to Russian diplomacy in CIS states he pointed out that a nucleus of diplomats, who "often have to work in unusual conditions, has been formed in the past four years."

Chernomyrdin said the Russian leadership was "on the whole" satisfied with "the work of Russian diplomats in that area, and it will help them, if necessary."

Russia: Lebed Stresses Need For Greater Cooperation on Terrorism

LD2707144296 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1414 GMT 27 Jul 96

[FBIS Translated Text] "There is a need for an international system for fighting terrorism. We need to work in a common space and help each other," the secretary of the Security Council of the Russian Federation, Aleksandr Lebed, said in an interview for Ekho Moskvy radio station.

In the opinion of A. Lebed, the underdevelopment of this system is clearly telling on the situation emerging on the territory of the former USSR. "A person commits a crime, then clears off to the territory of a neighboring state, and as for the far abroad [countries outside the former USSR], well, what can I say? I have started to look into Interpol and have established that a mass of various agreements and treaties have not been signed and therefore there has been no work in this area," A. Lebed said.

Russia: Seleznev Wants Expanded Cuba Ties

LD2907060896 Moscow ITAR-TASS in English 0553 GMT 29 Jul 96

[By Vladimir Kulikov]

[FBIS Transcribed Text] MEXICO CITY, July 29 (Itar-Tass) — In a talk to journalists in Havana on Sunday, Russia's State Duma Speaker Gennadiy Seleznev called for a further expansion of the "traditionally fraternal relations between Russia and Cuba." He leads a Russian parliamentary delegation, who have stayed in Cuba on a four-day visit and left by air for Venezuela in a continuation of their Latin American tour.

Touching upon the results of the visit, Seleznev told journalists that Russia and Cuba have resumed the exchanges of Russian oil for Cuban sugar, the exchanges that had been practised for many years before, and are also planning to finalise through joint efforts the construction of an nuclear power station at Juragua, 250 km south-east of Havana.

While in Cuba, the Russian delegation leader was received by Fidel Castro. During the conversation, which was held in an "exceptionally warm atmosphere", the Cuban leader expressed gratitude to Russia for abstaining from voting at the United Nations Security Council last weekend on the U.S.-sponsored draft resolution condemning Havana over the February 24 incident, during which Cuban Air Force aircraft shot down two Cuban emigre planes that had penetrated Cuban air space from the direction of Florida, Seleznev said.

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Russia: Spokesman Welcomes PRC Moratorium on Nuclear Testing

LD2907101196 Moscow INTERFAX in English 0941 GMT 29 Jul 96

[FBIS Transcribed Text] MOSCOW, July 29 (Interfax) — Russia welcomes China's moratorium on nuclear testing starting July 30, 1996, a high-ranking official said.

Deputy Foreign Minister Grigoriy Karasin told Interfax on Monday that Beijing's decision came as a "positive and long-awaited" move and expressed the hope that it would be supported by the international community.

At the same time, Karasin regretted that the moratorium had been preceded by a nuclear explosion staged today.

Karasin, who was appointed deputy foreign minister by President Boris Yeltsin over the weekend, is expected to deal with Russia's relations with the Asian and Pacific regions.

China is the last nuclear power to join the nuclear moratorium, thus opening up the way to the conclusion of the Comprehensive Nuclear Test Ban Treaty.

Russia: Duma Wants Retaliation for Latvian 'Assimilation'

MM2607123496 Moscow ROSSIYSKAYA GAZETA in Russian 25 Jul 96 p 6

["State Duma Appeal to the Russian Federation President on Discrimination against Russians Permanently Resident in the Latvian Republic" under the heading "Russians in Latvia Are Being Deprived of Their Language. Duma Tells President: Let Us Answer the Latvians by Depriving Them of Concessions" — appeal dated Moscow, 21 June 1996]

[FBIS Translated Text] The Russian Federation Federal Assembly State Duma expresses concern at the fact that a program of enforced assimilation of Russians permanently resident in Latvia has begun to be implemented in the Latvian Republic.

The Latvian Republic Saeima has given a first reading to a draft law on education which is aimed at ousting Russian and the other native languages of almost half of Latvia's population.

It is presumed among other things that at virtually all schools which use Russian as the language of instruction teaching will be allowed in Latvian only and that teachers at schools using Russian will have to be retrained.

Within the framework of this program schools in the Latvian Republic using Russian as the language of instruction are being closed down. In Riga alone five Russian schools have already closed. A decision was recently made on the closure of the No. 9 Secondary School, which means that a further 700 children will be denied a proper opportunity to receive education in their native language.

It is regrettable that these discriminatory measures are being supported by a number of international organizations.

The infringement of our fellow countrymen's right to education is just a part of the Latvian authorities' policy. Permanent residents of the Latvian Republic who are not Latvian citizens are already suffering discrimination in 68 areas: For example, they do not have the right to run pharmacies or work as fire fighters.

The Latvian authorities have ignored the State Duma's many appeals on these questions.

While viewing the aforementioned facts as a violation of the generally recognized principles and norms of international law in the human rights sphere and noting that the Russian Federation grants the Latvian Republic preferential terms in the sphere of trade and economic relations, the Russian Federation Federal Assembly State Duma makes the following recommendations to the Russian Federation president:

1. That he instruct the Russian Federation Government to examine a range of measures to adjust the terms of trade and economic relations with the Latvian Republic in the light of world prices.

2. If the campaign to close Russian schools continues and the law on education is adopted in its present, discriminatory, form, restrictions are to be placed on economic relations with the Latvian Republic until the necessary conditions are created to enable that section of the Latvian population whose native language is Russian to receive a proper education.

3. To step up the efforts to enlist international and national governmental and non-governmental human rights organizations in actions directed against human rights violations in the Latvian Republic.

To inform the United Nations, UNESCO, and the Council of Europe about the discriminatory character of the program in respect of language and education in the Latvian Republic, a program which enjoys the support of the aforementioned international organizations.

4. To adopt measures of economic support for Russian culture and education in the Russian language in the Latvian Republic and other Baltic states.

[Dated] Moscow, 21 June 1996.

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Russia: U.S., Western Headhunting Firms Draw Moscow's Ire

MK2707105896 Moscow NEZAVISIMAYA GAZETA (NEZAVISIMOYE VOYENNOYE OBOZRENIYE Supplement No. 14, July 1996) in Russian 25 Jul 96 p 7

[Report by Mikhail Yevgenyev: "Hunters for Scientific Secrets. The Activity of Some Foreign Foundations and Corporations Seriously Worries the Country's Appropriate Agencies"]

[FBIS Translated Text] It is an open secret that state investments in Russian science today are nowhere near what is required. The knowledge and experience of thousands of highly qualified scientists and experts, especially those in the military-industrial complex, are untapped. Barely able to make ends meet, they have to look for employers capable of ensuring them a decent life. Among the latter are representatives of numerous foreign firms and foundations. Unfortunately, oftentimes their activity cannot be called a civilized form of international scientific-technical cooperation. Moreover, they constantly discredit the concept itself. Such "partners" cast a shadow on, for instance, the international George Soros Foundation, the U.S. firm Saik [name as transliterated], and many other organizations that are rendering effective assistance to Russia's fundamental science as it goes through a difficult period.

In 1989, as defense conversion projects began to be implemented, Russian scientific establishments were inundated with all manner of questionnaires and forms/letters from foreign organizations. The questions asked are very diverse: from the exact address and list of goods produced to wages and names of specialists in a particular sphere. It seems that they are made up by foreign special services, which are hardly concerned with the problem of salvaging Russia's production and scientific capabilities.

The ball was set rolling by the U.S. brokerage firm Batterymarch Financial Management [name as transliterated], which promised to invest billions of dollars in Russian enterprises implementing defense-conversion projects. Nobody ever saw the money, and the firm itself turned out to be a phantom, while somebody in the United States received plenty of valuable information for analysis. It was replaced by other firms — not only from the United States, but also from Germany, Great Britain, France, and Switzerland. Typically, all of them had a very vaguely defined sphere of activity, and their projects were not backed up by cool cash.

Thus, Pepperdine University (Los Angeles) proposed a four-year defense enterprise management technology program in the context of transition to a market economy and defense conversion. Everything, alas, turned out to be far more prosaic: the same questionnaires and arrangements for leading Russian specialists to go to the United States. The U.S. Administration provided a large sum of money to support this program and substantially simplified the process of naturalization for Russian citizens who decided to work for the benefit of the U.S. military complex, becoming citizens of that country.

Two years ago specialists of the Russian defense industry drew the following conclusion on the issue of questionnaires: "The remote consequences of this action arouse no doubts and can hardly be described other than as the preparation of conditions for industrial espionage, disruption of competitiveness, and the institution of control over the operation of Russian industry."

Today the U.S. corporation "Answer" [name as transliterated], founded by the U.S. Air Force, is the most active in this respect. The corporation fulfills orders for the Defense Department, military intelligence, the Defense Advanced Research Projects Agency, and other "delicate" departments in the United States. In Russia, the range of its interests is extremely wide: the budgets of space programs, status of their implementation, areas of space research, the availability and capabilities of various testing systems, defense space projects and their participants, strategic information about the missile complex, and so forth.

Corporation officers have already visited virtually all the leading branch organizations and institutions of Moscow, Krasnoyarsk, St. Petersburg, and Samara. Following in the footsteps of their predecessors, they circulate questionnaires at secret installations. Answers to some of these questions directly involve the divulging of state secrets. The Americans like to meet with people in an informal situation, preferably one-on-one, without witnesses. Interviewees are carefully selected: All of them are in possession of major state secrets, and for the most part young. The pretext for an interview is always noble: discussion of financial support for scientists. They offer the position of a corporate consultant, but they do not bring up the subject of compensation until the extent of the candidate's usefulness has been established. It is appraised based on the readiness to provide detailed information about the nature of the activity by the establishment in question, its output, and lines of defense-related research projects.

"Answer" representatives also take an interest in candidate-of-sciences or doctoral projects that were not defended or found no practical application. The range of proposals here varies from an offer to continue the project in the West to the elementary buying of the

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project in question. The calculation is simple: In the defense sphere — both here and there — practically everything is secret, and so it is oftentimes impossible to establish from whence new technology or a particular idea has originated.

In May 1996 the Russian Foreign Ministry sent a formal representation to the U.S. Embassy in Moscow drawing the attention of the U.S. side to the need to take measures precluding the violation of Russian laws and norms of international scientific-technical cooperation on the part of this corporation. The appropriate [Russian] agencies are now also dealing with individual Russian citizens who have concluded contracts with "Answer" bypassing existing procedures, forgetting about the need to pay the state tax on their incomes.

There is no doubt that international cooperation is part and parcel of technological advance. But the state should, to the best of its ability, protect itself against foreign hunters for secrets and ideas. To this end it is urgent to work out a comprehensive program of measures to defend Russia's scientific and technical potential.

Russia: Gazprom, U.S. Firm To Set Up Pressure Sensor Joint Venture

MM2907091196 Moscow TRUD in Russian 25 Jul 96 p 2

[Unattributed "Business Chronicle" report under the general heading: "Energy in Russia. TRUD at Country's Fuel and Energy Complex Facilities. Issue No. 39"]

[FBIS Translated Text] The "Gazprom" Russian Joint-Stock Company and the U.S. Fisher-Rosemount company are setting up a joint venture in Chelyabinsk.

The Chelyabinsk "Metran" concern will be the third member of the joint venture for the production of oil and gas pipeline pressure sensors. As this concern's general director, Vitaliy Sidorov, informed us, according to the agreement in principle the "Gaz-Metran-Rosemount" Joint-Stock Company's incorporation capital will total $15 million and will be distributed equally among the three shareholders.

It is planned to register the joint venture's founding documents in Chelyabinsk before the end of the current year. It is planned that the joint venture will produce sensors under license from Fisher-Rosemount at the production facility of the "Elektomekhanika" Science and Production Association (one of the founders of the "Metran" concern) in Miass. The "Gazprom" Russian Joint-Stock Company will be the main customer for the sensors, which are capable of measuring pressure to an accuracy of up to 0.005 percent across a range from 0 to 400 atmospheres.

Valentin Sidorov pointed out that until now instruments of such accuracy have not been produced in Russia. The sensors' cost ranges from $600 to $2,000, which is 10-35 percent less than equivalent foreign devices. It is expected that the joint venture will have an output of more than 100,000 sensors a year.

Russia: Details of Gazprom Pipeline Deal With Serbia Reported

MM2607133096 Moscow TRUD in Russian 25 Jul 96 p 1

[Report by Viktor Borodich under "Pulse of the Planet" rubric: "Russian Gas Will Heat Serbia"]

[FBIS Translated Text] Belgrade — A delegation of "Gazprom" Russian Joint-Stock Company representatives led by Chairman of the Board Rem Vyakhirev has held talks in Belgrade with Serbian Prime Minister Mirko Marjanovic focusing on the prospects for implementing the bilateral agreement on building a gas main from Nis to Dimitrovgrad via Pojate. The large-scale project, valued at $105 million, envisages the supply of Russian natural gas to industrial enterprises and households in Serbia's southern region. The construction of the 167-km gas pipeline and its subsequent operation have been entrusted to the two-month-old "Yugorosgaz" Russian-Yugoslav joint venture, which plans to begin work as early as this year and to complete it midway through 1988.

In the course of the talks the sides established that the project's significance goes beyond that of an ordinary energy deal. Dozens of Yugoslav companies and enterprises have become involved in the project's implementation not just directly in the gas pipeline's design and construction but also in the supply to Russia of industrial goods, household appliances, food, and medicines on a barter basis.

At the end of the talks in Belgrade, R. Vyakhirev expressed satisfaction at their results and stated that during the discussions with our Yugoslav partners final details were worked out prior to making a start in the near future on the gas pipeline's construction.

In the judgment of both sides, the visit of the Russian delegation, which was received by Serbian President Slobodan Milosevic, laid down new and favorable foundations for increased commercial and economic cooperation between the two countries in the wake of the suspension of international sanctions against Yugoslavia. For his part Prime Minister Marjanovic expressed particular thanks to the Gazprom management for the help it had given Serbia and Montenegro during the years of blockade, when Russian gas was one of the main energy sources for the Yugoslav economy and heated schools, hospitals, and Serb homes.

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Political Issues

Russia: Yeltsin Appoints Karasin Deputy Foreign Minister

LD2707115696 Moscow INTERFAX in English 1146 GMT 27 Jul 96

[FBIS Transcribed Text] MOSCOW, July 27 (Interfax) — Russian President Boris Yeltsin has issued a decree appointing Grigoriy Karasin as Russian Deputy Foreign Minister, the presidential press service told Interfax on Saturday.

Prior to this appointment Karasin headed the Russian Foreign Ministry's Information and Press Department.

Russia: New Deputy Foreign Minister Grigoriy Karasin Profiled

LD2907084196 Moscow INTERFAX in English 0823 GMT 29 Jul 96

[FBIS Transcribed Text] MOSCOW, July 29 (Interfax) — Newly appointed Russian Deputy Foreign Minister Grigoriy Karasin, who previously headed the Ministry's Information and Press Department, is likely to take charge of Russia's relations with the Asian and Pacific regions, informed sources in the Foreign Ministry told Interfax Monday.

Karasin, in an interview with Interfax, neither confirmed nor denied this information, saying that "officially, my duties have not yet been defined."

Karasin said that he would assume his duties after a vacation which begins on Wednesday.

Karasin will celebrate his 47th birthday during his vacation on August 23.

Karasin is a career diplomat who speaks three foreign languages — Hausa, English and French. Upon graduating from the Moscow State University's Institute of Oriental Languages (now the Institute of Asian and African Studies) he worked in the Foreign Ministry's central apparatus and also in the Soviet embassies in Senegal (1972-76), Australia (1979-85) and Britain (1988-92). Prior to his appointment as director of the Information and Press Department he headed the Foreign Ministry's Department for Africa and the Middle East.

Karasin did not name his successor as the Foreign Ministry's official spokesman. Sources in the Foreign Ministry told Interfax, however, that Gennadiy Tarasov, the former ambassador to Saudi Arabia, was the most likely candidate for the post.

Tarasov was born on September 14, 1947. Upon graduating from the Institute of Foreign Relations in 1970 he worked in the Foreign Ministry. He worked at the Soviet Embassy in Egypt from 1970 to 1976 and in the Soviet Union's U.N. mission in New York from 1982 to 1986. He speaks Arabic, English and French.

Sources told Interfax that a decision on his appointment is to be taken at the next session of the Foreign Ministry's senior officials.

Russia: Yeltsin Appoints Businessman as Lebed's Deputy Secretary

LD2907111096 Moscow INTERFAX in English 1051 GMT 29 Jul 96

[FBIS Transcribed Text] MOSCOW, July 29 (Interfax) — Russian President Boris Yeltsin accepted Security Council Secretary Aleksandr Lebed's proposal to appoint Nikolay Mikhaylov, president of the interstate corporation Vympel, as deputy secretary, the presidential press service said on Monday.

The press service said that during their meeting earlier today, Yeltsin and Lebed also discussed financial problems in the army.

The president instructed Lebed to work on this issue and report on it at the upcoming meeting of the Security Council.

Yeltsin and Lebed also considered the work of the Security Council. The president approved the statute on the council staff.

Yeltsin also met with Foreign Intelligence Service Director Vyacheslav Trubnikov, who briefed the president on current issues, the press service said.

Russia: Yeltsin Rumored To Consider Dissolving Duma in Sep

MK2607121896 Moscow OBSHCHAYA GAZETA in Russian No. 29, 25-31 Jul 96 (signed to press 24 Jul 1996) p 8

[Report by Nikolay Troitskiy and Vakhtang Yakobidze under the "Under the Carpet" rubric: "Summer Anxieties on the Eve of Autumn Troubles"]

[FBIS Translated Text] Rumors are circulating along the Federal Assembly's lobbies to the effect that the president is planning to dissolve the State Duma in late September-early October. The mechanism is as follows: Yeltsin proposes to the lower chamber an inherently unacceptable candidacy (either Yegor Gaydar or Grigoriy Yavlinskiy) to the post of head of government, the Duma rejects it three times, and then, according to the Constitution, it can be dissolved.

This picture of the not-so-distant future was painted for your OBSHCHAYA GAZETA observer by an informed

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employee of the CPRF [Communist Party of the Russian Federation] faction's staff, citing reliable sources at the Kremlin. When asked, "Why should the triumphant Yeltsin scheme yet again against the deputies? What is it that he finds objectionable in the current Duma?," the informant said as follows: "Elections for the heads of administrations and legislatures in 35 Federation components are scheduled for November-December 1996. The Communists stand a good chance of pushing through their candidates and thus changing the balance of forces in the Federation Council in their favor. The Kremlin will go to any length to prevent that; it will stop neither at dissolving the Duma nor at banning the Communist Party." Anatoliy Chubays, the newly appointed presidential chief of staff, was tasked with implementing the "liquidation" plan.

Everything appears to be logical. Chubays has already promised to come to grips with the preparations for the gubernatorial elections; the official mass media keep warning about the threat of "a Red revenge" at the regional level; semi-official representatives, such as Sergey Shakhray, assert that the Communists are violating Constitutional Court rulings by setting up party cells at enterprises and that it is high time to call them to account. If such statements made sense before 16 June, when it was not definitively clear who would gain the upper hand, why call into question the CPRF's legitimacy after an indisputable win by the anti-Communist Yeltsin? Apparently, the problem is that the opposition members' presence at the State Duma helps them to coordinate the efforts of their candidates and allies all over Russia: They have free access to inter-city telephone and fax communications, unlimited freedom to travel, a deputy's red-cover ID opens doors of local television and radio studios...

That is all true, yet the proposed plan hardly squares with reality. Yeltsin has already officially asked Viktor Chernomyrdin to form a new cabinet; the Duma opposition does not particularly object to his nomination; there is no talk of any "unacceptable candidacies." Meanwhile, it seems that the president will have no other opportunities to dissolve the Duma until December of this year. Perhaps people from the CPRF are deliberately spreading such rumors in order to attract attention yet again?

Soon after the conversation with the CPRF staffer, however, your OBSHCHAYA GAZETA observer received similar information from a well-informed staffer of the Kremlin administration, who said that he himself saw at the Security Council a memo drawn up by an analytical center that proposed the same plan: "an unpassable candidacy — dissolution of the Duma" and approximately the same timetable: September-October. The need for this combination was attributed to a desire to seize the levers of power from the Communists' hands on the eve of the gubernatorial elections.

There can be no doubt as to the competence of this source; hence the rumors are not groundless. It is another matter that Kremlin analytical centers can draw up all sorts of memos, so why worry? Maybe this piece of paper is hopelessly outdated because it was written back in "the era of Korzhakov," who is known to have been at loggerheads with Chernomyrdin and did not plan to nominate him for premier? Or maybe the plan was drafted and the leak was organized precisely in order to make the Duma opposition more pliable so that it would back the proposed candidacy for the head of government without hesitation? It should be noted that the document that the Kremlin source held in his hands did not say anything about a ban on the CPRF, so it cannot be ruled out that the Communists themselves added this detail.

Nothing is impossible in Russia. Three years ago numerous rumors saying that Edict No. 1400 "On Phased Constitutional Reform" was being drawn up deep inside the Kremlin also appeared to be the ravings of a madman. But they did come true!

So we should not discard any information, even if it looks absolutely implausible. First, the Kremlin must have a prepared option for any eventuality, for even the candidacy of Chernomyrdin might fail to pass, despite all forecasts. Last Wednesday, for instance, the mass media received unexpected news to the effect that the government plans to cut the budget financing of social programs (and that after the president announced in a loud voice "greater emphasis on the social orientation of reform"); such news could cause an explosion at the State Duma and greatly harm Viktor Stepanovich's chance on the eve of his approval.

Second, if the president has no plans for eliminating the Duma, which gives shelter to his archenemies, why did he create a "parallel parliament" — the Political Consultative Council [PKS] chaired by former speaker Ivan Rybkin? After all, there was the Public Chamber, whose meetings were conscientiously attended by the same people whose interests Ivan Petrovich [Rybkin] claims to champion; namely the leaders of micro-parties and dwarfish movements that are not represented in the legitimate legislature. If the chamber met on rare occasions, it is its Kremlin organizers who are to blame. But even after the presidential election it was renewed and reinforced in personnel terms: While the Public Chamber provided a forum for deliberations mostly to Telman Gdlyan, Arkadiy Volskiy, and Lev Ubozhko, the PKS will feature Sergey Shakhray, Yekaterina Lakhova, Boris Fedorov, and Svyatoslav Fedorov. In

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the meantime, they are all already encumbered with deputy seats. What is the purpose of reinforcing a quasilegislative body? Will it not be needed as a provisional surrogate for the State Duma until the next election to be held in three or four months' time?

And the last detail. At the end of last week and the beginning of this week Russian leaders formed odd couples: On Friday, Duma Speaker Gennadiy Seleznev met Chernomyrdin — and "shadow" speaker Ivan Rybkin, with Security Council Secretary Aleksandr Lebed; on Tuesday, Seleznev met Chernomyrdin again, but Rybkin was on that day received in Barvikha by Boris Yeltsin himself.

They either hatched some conspiracy or simply discussed the weather. One thing is clear, however: The political situation has not stabilized since 3 July, far from it, so any surprises are possible.

Russia: Chernomyrdin-Lebed Meeting Focuses on Security Problems

LD2907103796 Moscow ITAR-TASS in English 1030 GMT 29 Jul 96

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, July 29 (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin today had a working meeting with Security Council Secretary Aleksandr Lebed.

A source in the premier's surrounding told Itar-Tass that the hour-long talk concerned law-enforcing and terror-fighting programmes of the cabinet of ministers and the Russian Security Council.

Chernomyrdin and Lebed have also discussed the situation in Chechnya.

Chernomyrdin plans to meet later in the day Anatoliy Chubays, the presidential administration chief.

The talk, to be held at 3.00 p.m., is to focus on the joint programme of the government and the presidential administration to strengthen the vertical hierarchy of the executive power, the source said.

Russia: Chernomyrdin, Stroyev Discuss Economic Issues, Legislation

LD2607135496 Moscow INTERFAX in English 1337 GMT 26 Jul 96

[FBIS Transcribed Text] MOSCOW, July 26 (Interfax) — Russian Prime Minister Viktor Chernomyrdin and speaker of the Federation Council (upper house) Yegor Stroyev held an hour-long meeting in Moscow on Friday, the prime minister's press secretary, Viktor Konnov, told Interfax.

Social and economic issues as well as more effective lawmaking by the government and senate dominated the agenda, government sources said.

Konnov said the prime minister was expected to meet leading Russian bankers later in the day, among them the governors of the Russian Sberbank (Savings Bank), Uneximbank, Rossiskiy Kredit, Promstroibank, Inkombank and Tekhnobank. Central Bank president Sergey Dubinin and head of the Association of Russian Banks Sergey Yegorov will also attend.

The involvement of Russian banks in the economy and the stabilization of the banking system is to be high on the agenda of the meeting, which was initiated by the prime minister himself last week, Konnov said.

Russia: Chernomyrdin Meets Visiting Yakutia President

LD2607183296 Moscow Mayak Radio Network in Russian 1700 GMT 26 Jul 96

[FBIS Translated Text] There was a meeting today in the Government House of the Russian Federation between Viktor Chernomyrdin, head of the government of the Russian Federation, and Sakha [Yakutia] President Mikhail Nikolayev. Proposals concerning the difficult question of delivering cargos to Sakha were discussed at the meeting. A decision was adopted at the meeting to set up operational headquarters headed by Oleg Lobov, first deputy chairman of the government of the Russian Federation.

Russia: Yuriy Yarov's New Appointment Examined

MK2607113096 Moscow SEGODNYA in Russian 25 Jul 96 p 2

[Article by Elmar Murtazayev: "Yuriy Yarov on the Way Up"]

[FBIS Translated Text] Presidential Chief of Staff Anatoliy Chubays acquired a new deputy yesterday. In addition to Anatoliy Kazakov, former deputy premier and head of the Goskomimushchestvo [State Committee for the Administration of State Property], appointed as deputy chief of staff earlier, Mr. Chubays got another deputy: Yuriy Yarov, who had also been a deputy premier in charge of the social sphere.

The new appointment is perceived among the presidential staff as the president's thanks to Mr. Yarov. According to Mr. Chubays's numerous statements, Yuriy Yarov, who was officially in charge of Boris Yeltsin's election headquarters during the election campaign, "did many hardly noticeable but useful things." There is also another version: During his service at the [Russian] White House, Mr. Yarov, who, incidentally, was

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the "longest-serving" deputy premier in the government, amassed vast experience of finance and administration work and can prove rather useful in the growing presidential staff.

In the meantime, servants of the head of state's staff are reserving rooms in the building on Krasnopresnenskaya Embankment [government house]. In the government, they speak as of something rather probable about the appearance of the president's economic aide Aleksandr Livshits and first aide Viktor Ilyushin in the rank of first deputy premiers for the economy and the social sphere, respectively. In evidence is the movement of personnel from Staraya Square [presidential administration] to the White House and vice versa. Government servants attribute the personnel turnabout to strictly pragmatic considerations: life in the presidential staff will soon become very troubled owing to the character of its head and the difficult nature of the task set by the president: to win the regional elections. On the contrary, in the government, whose formation will be over by mid-August, according to what a high-ranking government official told INTERFAX, it would be possible to address current problems of the economy. Let me note here, that the personnel policy reduces to a minimum the possibility of that the structures of the executive branch will be filled with new people, of whom top officials were speaking so willingly during the election period.

It is perhaps for this reason that Prime Minister Viktor Chernomyrdin stated yesterday that "continuity of the course will be guaranteed" although he did not rule out the possibility that a number of NDR [Russia Is Our Home] representatives and members of "some other State Duma factions" would join a renovated government. In the premier's opinion, the main problem in the work of the cabinet now is, "not to determine the very course toward market reforms," which remains unchanged, "but to correct it." The course should be corrected, the head of government thinks, because the government made a number of mistakes over the past years. "We have botched things up [nakhomutali, must be a Chernomyrdin-coined word] somewhere," Mr. Chernomyrdin admitted.

If one is to follow the premier's logic, those who "nakhomutali" stand no chances to get positions in the executive branch. If one is to think of the areas of reforms where mistakes were the most conspicuous (and the most dangerous, as follows from the presidential election voting results) — the social and the agrarian policies — the persons guilty of those mistakes should have been unseated. However, judging by the reshuffle, precisely these persons are, on the contrary, even on the way up. The resulting situation is at least strange: Four months of vigorous activity during the election campaign can quite make up for the preceding inactivity for many years. In this case, all sorts of elections which, according to the statements of government officials, are pernicious for the economy, prove even advantageous for officials since they provide great chances of rapidly advancing their careers.

Russia: Shokhin Views Ilyushin, Others for New Government Posts

LD2607115196 Moscow INTERFAX in English 1129 GMT 26 Jul 96

[FBIS Transcribed Text] MOSCOW, July 26 (Interfax) — With Deputy Prime Minister Yuriy Yarov receiving a post in the presidential administration, Viktor Ilyushin can become first deputy prime minister in charge of social issues in the Russian government, First Deputy Chairman of the State Duma Aleksandr Shokhin told a news conference in the Interfax headquarters Friday.

Asked about the composition of the new government, he said that no decision has been made about the number of first deputy prime ministers. A list of candidates for the office of first deputy prime minister in charge of the economy and finances is under consideration, Shokhin said.

Leader of the Yabloko party Grigoriy Yavlinskiy's chances of taking this position are receding, he said. The over-politicization of the conditions for his participation in the government and the very fact that he makes them public hinder his personal dialogues with the president and the prime minister, Shokhin said.

On the other hand, other members of Yabloko can be invited into the government, he said. In particular, Mikhail Zadornov is "quite a natural candidate" for finance minister, Shokhin felt.

Vladimir Lukin is also a good man but he cannot replace Foreign Minister Yevgeniy Primakov, he said. "All political groups agree that no better foreign minister can be found," Shokhin said.

Tatyana Yarygina, another Yabloko MP who could enter the government, would do well in one of the social agencies. "In all probability Yavlinskiy will not join the government but will delegate lower ranking men and, possibly, women in his party to work in Viktor Chernomyrdin's team, notably in key positions," Shokhin said.

Aleksandr Livshits has quite matured for a governmental job, he said in analyzing other candidates for first deputy prime minister in charge of the economy and finances.

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The idea to appoint Uneximbank president Aleksandr Potanin to this position is "interesting and unexpected," Shokhin said. Managers of commercial organizations such as Avtovaz (Vladimir Kadannikov) and Fast Roads (Aleksey Bolshakov) are among deputy prime ministers, but "while entrepreneurs from the real sector are still regarded as state-appointed directors, even though some of them have large wealth and numerous shares of their businesses, the bankers are still viewed as sharks of imperialism," Shokhin joked.

The Uneximbank was among the first to enter the real sector of the economy and so Potanin could be regarded as a serious candidate, he said.

Asked whether he could become a first deputy prime minister himself, Shokhin said that he would like to work in the State Duma for a while, especially so because "the fall may prove hot enough." He explained that he had in mind possible communist attempts to use the grim economic situation and the regional elections to have parliament vote for no confidence in the government.

"My name was on the list even though the president or prime minister did not make any official invitations," Shokhin said. He told the news conference that when he asked the prime minister whether he should publicly withdraw from the list, Chernomyrdin answered: "Not yet."

Russia: Moscow To Continue Chechen Talks With Conditions

LD2707134796 Moscow INTERFAX in English 1317 GMT 27 Jul 96

[FBIS Transcribed Text] MOSCOW, July 27 (Interfax) — The Russian federal authorities are ready to continue talks with Chechen separatists if some conditions are met, Vyacheslav Mikhaylov, Russian nationalities minister and chief negotiator at talks with Chechen separatists, told Interfax in an exclusive interview on Saturday.

The separatists must bring "an end to all terrorist acts," Mikhaylov said.

"Chechen separatist leader Zelimkhan Yandarbiyev has not so far made a single statement condemning the terrorist acts launched by Salman Raduyev. Only indeterminate indistinct statements are coming from the separatists" on this question, he said.

Chechen field commander Salman Raduyev led a hostage-taking raid on the town of Kizlyar in the internal Russian republic of Dagestan in early 1996.

The reconciliatory observer commission made up of representatives of the Russian authorities and Chechen separatists approved documents condemning "any attempts to launch terrorist acts" as early as a year ago, Mikhaylov said, adding that the agreements reached within the scope of the observer commission envisaged "compulsory extradition of terrorists."

"We will not achieve a breakthrough toward peace agreements unless terrorism is condemned and measures are taken to 'isolate' militants," Mikhaylov said.

The Russian federal authorities have proposed that joint working groups meet to resolve military problems, he said.

However, "after an agreement on the date and the venue of some meeting is reached and time comes for it to take place, the Chechen side usually cancels the meeting for technical reasons," he said.

The future of talks depends on the actions that Chechen field commanders, including Chechen rebel forces commander Aslan Maskhadov, will take, Mikhaylov said.

"It makes no sense to discuss issues that cannot be settled today. It is necessary to implement the Nazran accords envisaging disarmament, the retreat of troops and subsequent troop withdrawal," he said.

During the talks the sides primarily need to determine "the areas of responsibility of field commanders," Mikhaylov said.

"It is necessary to determine who controls what, which formations are behind field commanders and where they are situated. Special operations should be implemented against uncontrollable units of militants. The Nazran accords provide for [the armed Chechen opposition] implementing joint special operations together with Russian federal troops," he said.

Rumors surrounding Salman Raduyev's appearance back from the dead "play into his hands and make him a hero," Mikhaylov said.

Regarding possible "resurrection" of Chechen separatist leader Dzhokhar Dudayev reportedly killed in a Russian missile attack in spring 1996, Mikhaylov said such rumors were fanned "in order to provoke corresponding feelings on the part of Chechens."

Russia: Device Found Near Smolensk Contained 400 Grams TNT

LD2807144796 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1345 GMT 28 Jul 96

[FBIS Translated Text] The explosive device found yesterday evening on a railway track near Smolensk

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was the equivalent of 400 grams of TNT, Vladimir Spiridonov, duty officer at the Smolensk Internal Affairs Directorate told Ekho Moskvy radio station.

According to Spiridonov, trackmen noticed wires leading to the explosive device. This occurred at 2200 and was purely by accident. Special services arrived immediately and defused the device.

Military Issues

Russia: Chernomyrdin Delivers Yeltsin Message to Fleet

LD2807113596 Moscow Russian Television Network in Russian 0734 GMT 28 Jul 96

[Speech by Russian Prime Minister Viktor Chernomyrdin to naval parade marking 300th anniversary of the Russian Fleet in St. Petersburg 28 July — live]

[FBIS Translated Text] Hello, comrades. Comrade navy seamen, dear navy veterans, esteemed people of St. Petersburg, foreign guests, ladies and gentlemen.

On behalf of the president of the Russian Federation and the government of Russia, I wholeheartedly greet you and congratulate you on this great day, the 300th anniversary of the Russian Fleet. This is a glorious day, a true national holiday, and it is close to the heart of every Russian citizen because the fleet has always been, is, and will remain the honor and pride of Russia, the same as its legendary flag of St. Andrew.

Allow me to perform the honorable task given me by President Boris Nikolayevich Yeltsin and read out his address to the citizens of Russia on the occasion of the 300th anniversary of the Russian Fleet:

Dear people of Russia, the 300th anniversary of the Russian Fleet is a great holiday for every one of us. Russia's transformation into a naval power was a special landmark in the history of our state, which in many ways determined its future development. We deeply honor the memory of our ancestors — creators of the Russian Fleet. It became the cause of our national pride. With its help we achieved our greatest victories and earned military glory for our Fatherland. I am convinced that the present generation of Russian seamen will do their best to further strengthen Russia's naval power and securely protect the peace in its territorial waters.

I am especially grateful to the families of the seamen, to their mothers and wives. For generations, you have been teaching them to love and to wait, to keep hope and remain true. You are worthy of admiration. Glory to the Russian seamen! Glory to the Russian Fleet! Vivat, Russia!

Signed — The president of the Russian Federation, Boris Yeltsin.

Dear friends. Today, with deep gratitude, the citizens of our Fatherland pay their sincere respects to the outstanding achievements of the Fleet and bow their heads before the valor and courage of the dozens of generations of Russian seamen who did everything possible and impossible to build up the naval might of our state. The history of our fleet, inseparable from Russia's destiny, is written in thousands of pages of glory as well as sadness, with the joy of victory and the pain of loss.

Created by the will of Peter the Great and the talents and craftsmanship of millions of people, the Fleet has revived the features of a seafaring people inherent in Russians and made the presence at sea an inalienable part of Russia's historical fate. Thanks to the Fleet the many-century difficult struggle for retaking the approaches to the Baltic and Black Sea was successfully completed. It was the fleet that ensured the opening up of the Far East and the North. The wisdom of fleet commanders and shipbuilders and the courage and bravery of Russian seamen promoted the Russian Fleet to the ranks of the most powerful fleets of the world in a short period of time. Russia has become one of the great sea powers. Glorious victories scored at sea under the leadership of Peter the Great, Admirals Ushakov, Nakhimov, Sinyavin, Lazorev, Makarov, and many others have entered the treasury of world naval art. Azov and Gangut, Chesma and Sinop, Grengam and Navarin have become the unfading symbols of honor, courage, and fleet bravery. Major geographical discoveries made by Russian seamen have forever secured valor and priority in various parts of the world's oceans. Thus the prophetic words struck on the first fleet medal established by Peter the Great came true: The impossible is possible.

Selfless service to the motherland has always been the first and main commandment of Russian seamen and the purpose of their lives. The beginning of the 20th century put the Fleet to the test. The tragedy of Tsusima, the loss of Varyag, and bloody sea battles of WWI will always be in the people's memory. The memory of these events is holy and grateful, since the fleet has never stained Russia's honor or dignity.

The heroic deeds of Soviet seamen during the Great Patriotic War is the brightest page in our country's war history. Their selfless and skillful actions at sea and underwater, in the air and on land, greatly influenced the progress and the outcome of the war. The role of outstanding Admirals Kuznetsov, Golovko, Oktyabrskiy, Tributs, Yumashev and many, many others is great and

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unforgettable. A total of 520 seamen were awarded the high title of Hero of the Soviet Union and some 350,000 others were awarded orders and medals. I now address the veterans who are present here, all the seamen who took part in the Great Patriotic War and the heroes of the defensive battles at Odessa and Sevastopol, Tallinn and Khanko, Leningrad and the Soviet Far North region: A deep bow to you and great gratitude for heroic deeds performed for the sake of Russia. Eternal remembrance for those who did not live until the victory and the present day!

Dear friends. The Russian Navy has always been in the service of and guarding our state and national interests and it will always be so, as long as Russia continues to exist. At the present time our country is going through difficult times but the people have made their choice and that means that Russia will be a strong and prospering power. No one should doubt that Russia will possess a navy that meets the most modern requirements, a powerful and sophisticated navy that is capable of tackling any tasks for the good of the homeland. The president and the government see this as their direct duty and today I confirm again the decision adopted on priority financing for the construction and maintenance of the navy.

On the eve of the 300th anniversary of the Russian Navy I am addressing those who are at present performing their difficult but honorable naval service. It has fallen to your lot to preserve and redouble the glorious traditions of the older generations of Russian sailors and you are the ones who, at the present time, are responsibly, reliably, and conscientiously performing the tasks facing the navy. Thank you for your service. I am confident that you will spare no effort, energy, or talent for the sake of strengthening Russia's naval might.

The present anniversary celebrations are rightly shared by the large detachment of designers, engineers, and shipbuilding workers, whose hands are creating the warships and up-to-date naval equipment and armaments. I greet you and congratulate you. May your creativity, inspiration, and sense of purpose remain undiminished! May Russia continue as before to take pride in its shipbuilders!

I should like to express eternal gratitude to the people of St. Petersburg for their loyalty and devotion to the Navy and their contribution to its construction and the strengthening of its prestige. You have been on naval duty for very nearly 300 years and are connected with the navy by thousands of strands. May these links mount and grow stronger for the good of the Navy and for the good of your wonderful city!

The warmest words of gratitude too for our foreign friends and partners. We are delighted to welcome 10 navies of maritime powers in the city of Peter [the Great]. May these days become yet another landmark in strengthening trust and openness between us!

A great and bright festival is being held throughout Russia. It is the anniversary of courageous and bold people and a day celebrating their glory and valor. I wish all the sailors, navy veterans, and shipbuilders peace, happiness, health, prosperity, joy, and good fortune. May the naval might of Russia be strengthened. May the combat readiness of the Navy and the combat training and discipline of the sailors be enhanced! May our glorious St. Andrew's flag fly in all latitudes. May every Russian ship always have seven feet [of water] under its keel. Long live our great and beloved homeland! Hurrah!

Russia: Rodionov Salutes 300th Anniversary of Russian Navy

LD2807104896 Moscow Russian Television Network in Russian 0600 GMT 28 Jul 96

[Speech by Russian Defense Minister Igor Rodionov to naval parade marking 300th anniversary of the Russian Fleet in St. Petersburg 28 July — live]

[FBIS Translated Text] Comrade seamen, petty and warrant officers, officers, admirals and generals, esteemed shipbuilders, dear fleet veterans, esteemed guests, ladies and gentlemen. Today we honor the valiant Russian Fleet. A fleet of legendary glory which became one of the greatest symbols of our great and unconquerable Fatherland. Here, at the main naval parade, on the 300th anniversary of the Russian Fleet, we honor its military history.

The 300-year history of our fleet is one of courage, heroism, and noble spirit. In victorious battles at the Gangut and Greengam [first major victory of the Russian fleet under Peter the Great in the Northern War in 1714], Chesme and Corfu [Mediterranean war 1770], at Navarino and Sinop [Turkish war 1827], and many other sea battles the fleet's military traditions were established. [Admirals] Fedor Ushakov, Dmitriy Sinyavin, Mikhail Lazarev, Pavel Nakhimov, and other distinguished Russian Navy commanders were going into a just battle under the famous Peter the Great's commandments: "The enemy is not to be counted, it is to be beaten" and "do not lower your flag to the enemy under any circumstances." Even our enemies bowed their heads before the sacrificial heroism of the Russian seamen defending Sevastopol, Petropavlovsk-on-Kamchatka, and Port Arthur.

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The special pages in the history of the Russian Fleet are connected with the Great Patriotic War. Our seamen were fighting in interaction with the maritime groups of forces and destroying the enemy ships, vessels, and military communications as well as covering the landing operations. Some 400,000 heroes in striped sailor vests demonstrated incredible courage and loyalty to duty on the land fronts. Admirals Nikolay Kuznetsov, Ivan Isakov, Filip Oktyabrskiy, Vladimir Tributs, and Arseniy Golovkov will forever remain in the pantheon of naval glory.

Our main naval parade is being held in St. Petersburg. Here, 300 years ago, an edict of great wisdom and statesmanship came to life: "There are to be naval ships!" [reference to Peter the Great's Naval Charter of 1720]

Here today, near the cradle of the motherland's naval might, we declare clearly and firmly to the whole world that Russia has always been a great sea power and always will be. This is an objective and historically grounded necessity. The geo-strategic position of Russia obliges us to have a modern and well-equipped fleet. It is not possible to protect the country's national and state interests without a powerful navy. The great role assigned to the navy in repulsing aggression at sea, as well as deterring the nuclear threat, presupposes close attention to the development of our navy under the circumstances of a new military and political situation and the country's economic resources.

Despite great difficulties, everything is being done today to equip the fleet with the most modern ships, weapons, and technical means. Just in the last few years, the Russian fleet has received several nuclear submarine "cruisers," multi-purpose nuclear and diesel submarines, modern destroyers, and other warships and craft. The sea trials of the heavy nuclear missile cruiser Petr Velikiy and the large ASW [anti-submarine warfare] ship Admiral Shchebanenko are nearing their end. The results of combat exercises carried out in the first half of the jubilee year allow us to draw the conclusion that despite the most difficult and numerous trials, the fleet has managed to preserve a considerable part of its potential and is safely protecting Russia's security at sea. Our filial debt to our ancestors and paternal debt to the next generations is to preserve and multiply the glory of our great sea power. St. Andrew's flag must fly proudly over the spaces of the world's oceans as the symbol of the sea greatness of our renewed Russia.

From the bottom of my heart I congratulate our seamen, ship builders, and veterans on this day for the Navy and the 300th anniversary of the Russian Fleet. I thank the government and the command of the fleets of all foreign states which have sent their ships to the jubilee celebrations on the shores of new Russia. I wish you courage, restraint, optimism, and, as the saying in the fleet goes, seven feet under the keel. Hurrah!

Russia: Defense Minister Rodionov Interviewed 27 Jul

LD2807200496 Moscow NTV in Russian 1700 GMT 28 Jul 96

[Interview with Colonel General Igor Rodionov, Russian defense minister, by correspondent Sergey Kiselev in Moscow on 27 July; from the "Itogi" program — recorded]

[FBIS Translated Text] [Kiselev, in studio] Colonel General Igor Rodionov, the new defense minister, regards the question of liquidating all back pay debts owed to servicemen, as well as the creation of a legal mechanism to guarantee officers decent accommodation where they are stationed, as his priority tasks.

He talked about this yesterday in his office on Arbatskaya Ploshchad in Moscow in an interview with our program. As Igor Nikolayevich Rodionov admitted himself, this was not only his first interview in his new post, but his first interview ever since he started serving in the Army. In fact, the only time he has been in public before the television cameras was at that first memorable first Congress of Peoples Deputies of the USSR in the Kremlin in 1989, when he, as the then commander of the Caucasian Military District, participated in the debate at this congress on the tragic events in Tbilisi, which happened on the eve of the congress, in April 1989, in which he, as the district commander, was most directly involved. We talked to the new defense minister on this topic, too. But let us have everything in the right sequence.

[Kiselev] Igor Nikolayevich, when did you first hear about your appointment? Who was the first person to tell you? Who first informed you that you had the opportunity of becoming minister of defense?

[Rodionov] The appointment took place on 17 July. Before my appointment I was summoned to see the supreme commander in chief, the country's president, in the Kremlin, where he asked me to report my views on the situation in the Army, on military reform, and on the reform of the Armed Forces. I was extremely satisfied with this interview. The president listened attentively and asked me to make a full written report. There was no talk about any appointment or a vacancy as defense minister.

[Kiselev] But the fact of being summoned to the Kremlin was rather unexpected, wasn't it?

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[Rodionov] I had a feeling inside telling me that it was a possibility, a possibility because there were all sorts of rumors running around in the mass media and so on.

[Kiselev] Igor Nikolayevich, the president signed a certain edict, not long before the election to the effect that, in essence, the Army was to be put on a professional basis by the year 2000. Do you consider this time frame to be a realistic one?

[Rodionov] The task is a very complex one, Yevgeniy Maksimovich, very complex. It will be feasible, this task, and capable of fulfillment if, first and foremost, the economic preconditions are put in place to establish an Army or armed forces of this type.

[Kiselev] What will the Russian Army be like? What should it be like, a big one, a small one, a mobile one? Could you just let us have some of your views on this?

[Rodionov] The Army must be a modern one.

[Kiselev] What does a modern army mean?

[Rodionov] A modern army is one like those in our civilized countries, I mean an army that will not be a burden on the state, which is viable...

[Kiselev, interrupting] Economically.

[Rodionov] Economically, financially viable. It will be very different, qualitatively. At present there is no need to maintain very substantial armed forces, nor will there be in the foreseeable future.

[Kiselev] What sort of strength should the Russian Army have in your view?

[Rodionov] The strength of our Armed Forces now is of the order of 1.5 million. If these Armed Forces are to be improved qualitatively then we can today remain with these numbers. But it cannot be ruled out that further reductions in the Armed Forces will be on the agenda in the future. This is altogether possible. This should, however, be approached in a measured fashion. We will do everything to ensure that the professional army is lower in numbers while able to carry out its duties. Its main duty in peacetime is to ensure that any potential enemy knows that we have such an army and that it is capable and very combat-ready, mobile and capable in the event of any aggression to creditably discharge any possible duty.

[Kiselev] Who is our potential adversary today? From which quarters can we now expect aggression against Russia?

[Rodionov] Anybody who has any interest in us or with whom there are border, territorial, or economic disputes. The world develops in unpredictable ways. There is no obvious threat today, and this is good and something we should aspire to. But what will be in five or 10 years? From the viewpoint of its economic potential, Russia is very different from the Soviet Union, and Russia's Armed Forces are different from those of the Soviet Union, especially with such powerful groups in Germany, Czechoslovakia, Poland, and Hungary. This is not the case any longer. But for some reason NATO remains and keeps its powerful military potential as a military and political organization, and for some reason colossal efforts are being made to bring NATO closer to the Russian borders. Everybody is saying and trying to convince us that this eastward move does not represent any threat to Russia. But these are mere words. We must draw conclusion from history. In my view, for instance, there is an attempt to solve many economic and social problems of the 21st century by using Russia, as it were, in one's own interests.

[Kiselev] What do you have in mind, for instance?

[Rodionov] For instance, given the depletion of natural resources in the world, Russia remains and will remain for many years to come a very rich country in terms of its natural resources. So there could be an attempt to solve many problems of survival at Russia's expense — who can say? The world is a very complicated place.

[Kiselev] Igor Nikolayevich, could you please speak about your attitude to the accusations of corruption voiced recently in the State Duma, specifically by General Lev Rokhlin, chairman of the Duma Defense Committee? There were very serious corruption accusations against former and current senior leaders of the Defense Ministry and generals.

[Rodionov] My attitude is that of understanding this problem. It is impermissible to have elements of corruption in the Armed Forces.

[Kiselev] So the problem exists?

[Rodionov] Yes, it does.

[Kiselev] Have you personally taken any steps after that? I know that you have held your new post for a very short time, but nevertheless?

[Rodionov] I have ordered an investigation of all the facts.

[Kiselev] An in-house investigation?

[Rodionov] Yes, an in-house investigation, and the military procuracy is dealing with it. It will report the results to me. If the facts are confirmed, punishment will be inevitable.

[Kiselev] Has anybody been punished or removed from office?

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[Rodionov] For the time being those seven generals have been removed after Aleksandr Ivanovich Lebed joined the Security Council and General Pavel Grachev was dismissed.

[Kiselev] Igor Nikolayevich, you mentioned Aleksandr Ivanovich Lebed. I think it was he who first tipped you for the post of defense minister. Have you known him for long?

[Rodionov] We never served together, and the first time we met was at the Congress of People's Deputies in Moscow. It was a very brief meeting. I paid my respects to him for his courage and the position he took, for his wish to impose order and do something for the country at that time, so to speak, to steer the process toward a better direction. I worked with him a little in the Congress of Russian Communities.

[Kiselev] You were with him in the Congress of Russian Communities?

[Rodionov] But he was in the leadership at that time and I was a rank-and-file member. This was just before the election campaign.

[Kiselev] An interesting detail on your c.v.

[Rodionov] Well, that is another story.

[Kiselev] How do you get on now as Security Council secretary and defense minister?

[Rodionov] If he wants something, he calls me up to take advice on the issue or to pass on information. And I sometimes get in touch with him with my ideas and thoughts on some issues. We do not overlap at all, in the sense that one of us has to report to the other and so on. And I think he is not the type of man to try to go over your head to issue commands and so forth. But, a lot of business passes through the secretary to the Security Council, especially matters of personnel and appointments. This issue, personnel, is one of the main ones in the Army.

[Kiselev] Igor Nikolayevich, this is something I wanted to ask you about separately. There is a big article about you in the latest edition of MOSKOVSKIYE NOVOSTI. It says in particular that you wanted to give a speech to the 27th CPSU Congress criticizing the situation and demanding a rapid troops withdrawal from Afghanistan. As I understand it, you were supposed to be a delegate because you were the commanding officer of the 40th Army in Afghanistan. This was in 1986. But they stopped you from doing it by not letting you in to the Congress. Is this true?

[Rodionov] Not quite as the article puts it. I did want to give such a speech. When I took over at the 40th Army and got to grips with the situation I was convinced that we would never solve the problem there by force or by war, that the war in Afghanistan was a huge mistake by our political and military leadership of the day.

[Kiselev] You wanted the Army out of there as soon as possible, out of Afghanistan?

[Rodionov] Yes, I wanted a pullout as soon as possible. But it was not so easy to say it out in the open at that time. But my convictions on and perceptions of the issue were known to many. Including the Defense Ministry and the head of the General Staffs.

[Kiselev] The situation in Afghanistan is very often compared to that today in Chechnya, although the comparison is a little undermined by the fact that Chechnya is part of Russia. But all the same, do you think the Chechnya problem can be solved by military means? Or do you think it better to get the troops out of there than to fight the war to a victorious conclusion?

[Rodionov] Yevgeniy Alekseyevich, I am absolutely convinced that we need to use all available methods and means to resolve this problem. But right now it is not possible to drop military means. We should review them, because the situation is changing. There are not any large battles anymore. Most of the work now is identifying individual gangs and groups, giving them an ultimatum asking them to disarm and stop their resistance and, if they opt for open armed resistance then, of course, we have to wipe them out.

[Kiselev] Well, you are talking about operations to liquidate the remaining armed groups. There is even a special term for such operations — cleansing operations.

[Rodionov] Yes.

[Kiselev] But you realize perfectly well that since all these bandit groups quite on purpose act in inhabited areas — I even happened to read that actions that take place a long way from inhabited areas are extremely rare — all such operations bring countless sufferings and misfortunes for civilians. I am not talking about cases when houses were destroyed and civilians killed, but even if we use such an evasive phrase as — civilians were evacuated from a settlement because of an impending cleansing operation — this is still a human tragedy, people with minimal possessions are immediately turned into refugees.

[Rodionov] I agree with you, this is unacceptable. That is why all our actions should be surgically precise. If it is necessary to liquidate a bandit, then by no means should people around him die. But such actions should be left to the experts, Yevgeniy Alekseyevich, it is not the army's purpose, nor is it trained for such actions, they are for special units.

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[Kiselev] But this is in an ideal world.

[Rodionov] Yes, this is in an ideal world.

[Kiselev] So far, the situation is different.

[Rodionov] So far, the situation is different, but we should aspire to this. I see a solution to this problem, in particular in the need for the Interior Ministry of the republic itself to work more actively, in the withdrawal of troops by 1 September, so that only those units of the North Caucasian Military District that should be deployed there according to the plan remain.

[Kiselev] Is it realistic to complete this by 1 September?

[Rodionov] Yes, it is realistic.

[Kiselev] The last thing I wanted to ask you, returning to where we have started today. You had a meeting with the president. During your detailed discussion, did you touch on the Tbilisi episode of your biography?

[Rodionov] No. The president did not ask me, and not a word about this was mentioned. Already at the appointment itself, the president mentioned it in passing, wondering whether those events could harm my relations with Georgia and with the Georgian president.

[Kiselev] What was your answer?

[Rodionov] I said that in no way will they harm them.

[Kiselev] Is it true that, as one version of the events has it, then in 1989 you simply refused to tell the whole truth about what really happened in Tbilisi, that you did not want to name a person really responsible for ordering to use troops? That you did not want, perhaps because of your officer's honor and political expediency, to damage Gorbachev's position?

[Rodionov] Now I will tell you openly. I was categorically opposed to the use of force before 8 April, because all this could have been done without resorting to military force. But the leadership insisted, the then leadership of Georgia. I had to phone Moscow as well, Defense Minister Dmitriy Yazov, in order to try to convince him that we had not exhausted all the resources to prevent an impending tragedy. But, unfortunately again nothing was done. I did not know at all what was happening in Moscow. I was in touch with the defense minister, and on 8 April, the defense minister ordered me by telephone that the political leadership had made the decision to liquidate the rally, or rather to clean it out of the square by the morning and to take all the facilities under control and to restore normality in Tbilisi.

It was all done over the phone. But I am convinced that the defense minister could not have made the decision on his own.

[Kiselev] And it is difficult to...

[Rodionov, interrupting] I have no proof, of course...

[Kiselev, continuing] But we know how the system worked at the time.

[Rodionov, continuing] ...I still have none, not even today. But I am convinced that the way system operated, the defense minister received his orders and then gave orders to me. Later I hoped that someone from the political leadership, first and foremost the president, would speak at the Congress of People's Deputies, explain the situation, give a political assessment of what had happened, and explain whether the army's actions were lawful or not. But no one spoke, and the army was, as it were, left to be torn to pieces. It is as if no one knows. Surely someone has to say who made the decision — but unfortunately they still keep silent.

[Kiselev] Igor Nikolayevich, thank you for your answers.

[Rodionov] I am also very grateful to you for our discussion.

[Kiselev] Thank you.

Russia: Rodionov Appoints General Kozlov as Apparatus Chief

MK2707140696 Moscow SEGODNYA in Russian 27 Jul 96 p 2

[Report by Yuriy Golotyuk: "New Defense Minister Has Made First Appointment"]

[FBIS Translated Text] As your SEGODNYA correspondent has learned from reliable sources, new Russian Federation Defense Minister Igor Rodionov has made his first appointment: Lieutenant General Viktor Kozlov has become head of the minister's apparatus. It is to be recalled that his predecessor, Colonel General Valeriy Lapshov, was removed from the position by a presidential edict of 25 June along with other generals accused by Aleksandr Lebed of an attempt to organize a "GKChP [State Committee for the State of Emergency]-3." The position of head of the apparatus of the chief of the military department is seen in the Defense Ministry as rather influential. According to SEGODNYA's sources, "its holder does not fulfill adjutant functions at all; rather, he participates to a considerable extent in shaping the policies followed by the minister," in particular in pursuing some sort of Defense Ministry "internal ideology." Prior to his present appointment, General Kozlov did not hold any senior positions in the Defense Ministry's top echelons of power and was known to few people in the offices of the "Arbat military district [ironic name for the Defense Ministry, located on Arbat

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Square]." Even in the minister's secretariat they admitted to your SEGODNYA correspondent that they "simply do not know" the newly appointed general. According to sources, Mr. Kozlov got his general's shoulder boards as deputy chief of the military coordination headquarters of CIS-member countries (usually regarded as a place of "honorary exile" for officers and holding no prospects for one's career). In the headquarters, Mr. Kozlov was in charge of "foreign relations," and according to those who used to work with him, proved to be "a general very competent in official questions."

Sources in the Defense Ministry state that the appointment of an outsider to one of the leading positions in the military department did not draw any negative reaction. According to people close to the Defense Ministry leadership, the policy followed by the new minister "has defused tensions acutely felt of late." Mr. Rodionov did not begin his activities with personnel purges and reshuffles, which was the greatest fear in the Defense Ministry and General Staff. The subordinates are convinced that their boss will be reforming the military department without "abrupt movements" and "radical breakups."

Russia: MP Says Defense Council Set Up To 'Neutralize' Lebed

LD2507155396 Moscow INTERFAX in English 1543 GMT 26 Jul 96

[FBIS Transcribed Text] MOSCOW, July 26 (Interfax) — Communist MP Mikhail Surkov, deputy chairman of the Russian State Duma Defense Committee, considers the creation of a new organ — the Russian Defense Council — as a move that is "hardly comprehsible."

The Russian Defense Council has been created by a decree from Russian President Boris Yeltsin. Presidential aide Yuriy Baturin was named as the Defense Council's secretary.

The new structure might have been created "in order to neutralize the activity of Russian Security Council Secretary Aleksandr Lebed" and to "prevent the accumulation of too much power in his hands," Surkov told Interfax.

Under the provision on the Defense Council endorsed by the presidential decree, the Defense Council will be led by the president, while the prime minister will be the Defense Council's deputy chairman.

Russian Security Council Secretary Aleksandr Lebed and several other top officials will be rank-and-file members of the Defense Council, a situation that Surkov sees as "not entirely comprehensible."

The provision on the Defense Council stipulates that the three departments and four divisions within its structure will deal with problems regarding defense and military reform, he said, adding that the Russian Security Council "will continue to deal with economic, environmental and information security and other areas of security."

Nevertheless, the Defense Council and the Security Council are "somewhat parallel structures," the MP said.

However, State Duma Defense Committee member Sergey Yushenkov of the Russia's Democratic Choice unregistered group of deputies considers the Defense Council's creation as "an important move toward a true reform of the armed forces."

The reform of the armed forces should be managed by the state rather than only by the Defense Ministry, he told Interfax, adding that "this is what the new organ will do."

"I do not think that the Defense Council's creation can be considered as encroachment on Lebed's powers," Yushenkov said.

"Problems concerning defense policy and military reform require much attention. Lebed, who is already dealing with a serious range of problems regarding national security, will just have no time for that," Yushenkov said.

Russia: Military 'Expert' Views Role of New Defense Council

LD2607130296 Moscow Radio Rossii Network in Russian 1000 GMT 26 Jul 96

[FBIS Translated Text] The search for balances and counterbalances is continuing in the upper echelons of power. Aleksandr Lebed's strengthened position must also be counterbalanced. In the view of some experts one such counterbalance is the newly formed Defense Council, whose secretary is Yuriy Baturin, Boris Yeltsin's former national security aide. Our expert, Aleksandr Konovalov, who is director of the military research center of the United States and Canada Institute, speaks here about the role of the Defense Council.

[Begin recording] [Konovalov] Naturally, we shall assess the end results when it begins work, but it is already clear that the special character, as it were, of this kind of body that exists in our consciousness from earlier Soviet history does not now apply to this council. I rather think the creation of the Defense Council reflects the fact that the Security Council and General Lebed are by themselves simply unable to cope with the number of problems that our country has to tackle in this sphere. First and foremost, I think there will be a very clear-cut distribution of powers. Gen. Lebed and his body will

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probably work primarily on the problems of fighting crime and combating corruption and on various aspects of internal security. In dealing with these problems, they will simply be unable to work on such matters as the coordination of efforts in the sphere of military reform and the foreign policy aspects of security, and, it seems to me, these are the issues that the Defense Council will handle.

[Unidentified correspondent] Does that mean that the Defense Council will not be replacing the Security Council?

[Konovalov] No, that would be very much a mistake from the viewpoint of purely administrative laws, the creation of conflicts between various consultative bodies and the taking of decisions. I think that the Defense Council and the Security Council will with total calm and precision distribute their functions. Unfortunately, we have so many problems that there are enough for several bodies. [end recording]

Russia: Baturin Not Surprised by Post of Defense Council Secretary

MK2707111196 Moscow NEZAVISIMAYA GAZETA in Russian 26 Jul 96 p 1

[Report by Vitaliy Marsov: "Boris Yeltsin Has Created a Defense Council and Appointed Yuriy Baturin as Its Head"]

[FBIS Translated Excerpt] [passage omitted] Asked whether the Defense Council is not an analog of the past CPSU Central Committee Military-Industrial Commission, the activity of which was recently cited with great respect by many defense industry leaders as of a useful and constructive agency, Yuriy Baturin noted that he would not draw a parallel here because the Defense Council is a basically different structure.

Incidentally, after his dismissal as the president's national security adviser, Baturin said that he would agree to a new job in the [presidential] staff on condition that it is not only honorary but also useful.

Asked whether he is happy with the president's decision, Baturin responded in the affirmative. In his new capacity he will primarily deal with forming the Defense Council structure and developing a work schedule for the near term. The Defense Council staff will be much larger than the national security adviser's: It will have 53 staffers.

The first Defense Council session, according to Baturin, will take place "not in the near future, and, quite obviously, after the inauguration."

Asked to what extent the edict on the creation of the Defense Council and on his appointment as Defense Council secretary came as a surprise to him, Baturin said that he did not learn about the edict directly from the president but when visiting the Kremlin office. On the whole, the creation of such a structure is no news to him because when still national security adviser, he prepared his proposals on this edict. Back in spring the State Duma adopted a resolution on creating the Defense Council, but at the time the name was different. This resolution was sent to the president, who ordered that a corresponding statute be worked out. The documents were ready before the elections were over, but the edict was not signed until 25 July.

Russia: Deputy Defense Minister Comments on Navy Capabilities

LD2607152296 Moscow ITAR-TASS in English 1454 GMT 26 Jul 96

[By Yevgenia Lents]

[FBIS Transcribed Text] VLADIVOSTOK, July 26 (Itar-Tass) — As Russia is reviewing its security and defence priorities in the multipolar world, one thing is certain — its naval forces have a special role to play as the government's political and diplomatic tool, as Deputy Defence Minister Andrey Kokoshin made clear earlier this month.

And it can, too. "Despite all difficulties, the Russian navy has not lost its capability thanks to its 'gold treasury,' the superb staff that has taken years to select," Russian Pacific Fleet Commander Admiral Vladimir Kuroyedov said in an exclusive interview with Itar-Tass today.

The Commander, who was speaking on the eve of Navy Day, expressed regret about the cuts his fleet had to sustain over the past three years: "The Pacific Fleet had the number of its warships cut by half and its staff by 2.5 times," the Admiral grieved.

"Nonetheless, the defence capability of Russia's Far Eastern marine frontier has been fully preserved and is now maintained at a high level in particular thanks to our career servicemen — sailors, midshipmen, officers, generals and admirals," he stressed.

According to Admiral Kuroyedov, the morale of the fleet corps is decisive in maintaining the fleet capability: the servicemen are genuine patriots of their country and their cause despite delays in pay, difficulties with housing, and the overall low level of income in the families of the naval personnel.

Admiral Kuroyedov said the Pacific Fleet has serious achievements to its credit. He recalled in particular

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that three nuclear powered cruiser submarines this year conducted record high precision ballistic missile firing from different locations in the Pacific Ocean, for the first time in the Fleet's 64-year history.

Also for the first time, a tactical group of cruiser submarines armed with cruise missiles conducted joint exercises to perfect its interaction capability.

As concerns sales of Russian naval ships and the Fleet's overall renewal, the Commander said he saw no tragedy in the sale of the aircraft carrying ships Minsk and Novorossiisk for scrap. He said a worthy replacement exists, including the new aircraft carrying ship Admiral Kuznetsov.

Obsolescent big anti-submarine ships will also withdraw from the stage gradually to make room for such modern ships as the Marshal Shaposhnikov, the Admiral said.

"We are no longer building big warships in Ukraine but the shipbuilders in St.Petersburg, Severodvinsk and Komsomolsk-on-Amur are as pleased as before to fill our orders," Admiral Kuroyedov said.

He recalled that a week ago, he was in Severodvinsk in the north of European Russia to attend the launch of the new nuclear powered cruiser submarine Tomsk built for the Pacific Fleet.

A top-class modern warship, the nuclear powered missile carrying cruiser Pyotr Veliky (Peter the Great), will soon be made ready for service in St.Petersburg, the Admiral said, adding that the Pyotr Veliky's potential exceeds that of any other warship in the Russian navy.

The St.Petersburg shipbuilders will also soon launch the Vazhny (Important) big anti-submarine ship, Pacific Fleet Commander, Admiral Kuroyedov said.

He added that in the country's east, a new nuclear-powered submarine will soon be completed in Komsomolsk-on-Amur. The Admiral said all the above-mentioned ships are commissioned by the Pacific Fleet.

"The Russian navy is maintaining high morale and renewing its ships, which means that it will live and dependably guard Russia's marine frontiers," the Admiral said.

Defence Ministry officials said earlier this month that the Russian Navy will be able to "fly its flag" in different regions of the world and take part in the settlement of conflicts anywhere on terms and conditions that meet Russia's national interests and the interests of its friends and allies.

Russia: Program Features Parlous State of Army, Rodionov's Comments

LD2807215396 Moscow Russian Public Television First Channel Network in Russian 0755 GMT 28 Jul 96

[Feature on Army reforms, including recorded remarks by Russian Defense Minister Igor Rodionov — from the "I Serve Russia" program]

[FBIS Translated Text] In all recent years there have been attempts to convince the Army that the military reform is going ahead, even if it has been confronting huge problems on the way. Servicemen were puzzled when trying to understand where exactly the reform was going ahead, in a neighboring garrison perhaps? After the presidential elections and the change of the Defense Ministry leadership, it turned out, however, that the military reform had not even started. It remained confined to declarations and to dachas of those generals who had a peculiar understanding of the reform. Compared to the thriving of civilian bureaucrats, though, the military ones look quite modest. Nevertheless, for the first time in the modern history of this country the new defense minister declared, immediately on his appointment, the need for a tough struggle against corruption in the Army.

[Igor Rodionov] Some radical measures have been taken, though, by sacking several generals from the top ranks of the Ministry of Defense. Now an investigation is under way.

[Announcer] Corruption in the Army, however, is largely a result of many years of neglect, and hence of the absence of control on the part of the state. The state still needs the Army, no matter how painful it might be to admit this. The war in Chechnya slightly shook the country's leadership, but the election campaign again switched its attention away from the Army to other issues. Today we are reaping very bitter fruits. Modern weapons account for just 30 percent in the Russian Army, compared to 70 percent in the armies of developed countries. At present, there is practically no serial production of complex weapon systems in our country. Because of financial restrictions, the Defense Ministry has to order single specimens only, which is much more expensive. Seventy percent of the armed forces' personnel are not provided with the necessary clothing allowance. At his meeting with the leadership of the Air Force Main Staff, General Rodionov spoke with pain about the fact that even soldiers' underwear is in short supply. All this drives the Defense Ministry to using emergency supplies, a shame for a great power.

[Rodionov] The armed forces have approached a borderline. It is impossible any longer to tackle problems of construction without introducing necessary correc-

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tives and without taking into account the real state of Russia's military potential.

[Announcer] A tradition to go for the extremes still remains one of the most popular in Russia. During the socialist decades almost the entire economy served the Army. Quite often these expenses were unjustified and at times simply thoughtless. Today everything is reversed, and the Army does not have funds to pay for the bare essentials. One can speculate without end on the future of the armed forces, while the military reform is directly dependent on the economic state of Russia. Hence, the new defense minister has to deal with more mundane problems for the time being. Summer is holiday time, but because of the outstanding pay, the families of many servicemen are forced to spend their holidays in garrisons. There is much talk in Russia today about freedom and democracy, but we often forget that if a person is left without his due pay for several months, this is a violation of basic human rights.

Neverthless, General Rodionov believes that even under the present economic conditions, the Army should use its inner resources. First of all, it is essential to change the command structure of the armed forces. According to Rodionov, it is unjustifiably swollen, and thus ineffective and even wasteful. It looks, therefore, as though the Army is on the verge of considerable changes, judging by everything.

[Rodionov] There is still a considerable gap between the Russian Army's needs and the state's real resources. This is true not only of the armed forces. Every power department is acting separately, trying to increase its numbers and creating new structures, demanding money and privileges — all this happens as a result of us lacking a thoroughly thought-out and balanced state military structure.

[Announcer] The Army is tired of promises and is waiting for a real reform. The Navy is waiting for it too. [Video shows military training involving paratroopers, 6 military helicopters in flight, land exercise involving tanks, launching of a missile, loading of a missile, inspection of young servicemen, land and water exercises involving heavy armor]

Federal Assembly

Russia: Federation Council Hosts National Security Hearings

MM2607102396 Moscow KRASNAYA ZVEZDA in Russian 26 Jul 96 p 3

[Report by Petr Karapetyan: "Mr. Brzezinski Reckons Russia is Down and Out. Those Participating in the Parliamentary Hearings in the Federation Council Do Not Agree With Him"]

[FBIS Translated Text] Parliamentary hearings "On a Blueprint for Russian National Security" were held on 25 July at the Federation Council on the initiative of the Security and Defense Committee of the Federal Assembly upper chamber. The report was delivered by committee chairman Aleksandr Ryabov. He noted that for more than six years Russia had been in a state of uncertainty regarding this concept. Incidentally, the notorious Zbigniew Brzezinski had been rather outspoken on the subject: "Russia is down and out. It has no blueprint for existence." According to Ryabov, since fall 1990 there had been six attempts to devise a national security blueprint, but none had been implemented for various reasons. This insouciance was difficult to explain. Even leading U.S. experts believe, Ryabov stressed, that in the next 10- 20 years Russia will have to deter military preparations in the west, east, and south. According to the speaker, Russia needs two national security blueprints: one for the transitional period through which, according to Ryabov, Russia is passing at the moment; and the "main one, for the future."

Valeriy Manilov, deputy secretary of the Russian Federation Security Council, disagreed with him. A duality is harmful in this particular situation, he said. Russian needs a long-term blueprint, he believes, rather general, but with specific emphases on national priorities. Valeriy Manilov believes that in foreign policy activity it should be partnership; in domestic policy it should be stability; in social policy — protection; in national policy — patriotism.

The hearings were addressed by Lev Rokhlin, chairman of the State Duma Defense Committee. He said: The state lacks a unified view of "future military-organizational development." This year the level of provision for the country's power structures dipped below 50 percent. There is a high turnover of personnel in the power structures and there is a growing anti-Army mood in society. Funding for the Army is in a bad way too. In the first six months of the year it received 26 trillion of the agreed 36 trillion rubles [R]. According to Finance Ministry forecasts, to which Rokhlin referred, the "National Defense" budget item will need to be adjusted by the end of the year: Another R40 trillion will be required for Army needs. That is on top of the budget's R80 trillion.

The hearings were addressed by Andrey Kokoshin, Russian Federation first deputy defense minister. He noted that appropriate military might, based on a developed defense industry and science, will play an important role

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in safeguarding national security. This will also require a purposeful industrial policy for Russia as a whole, A. Kokoshin noted. The Defense Ministry and General Staff have already prepared long-term draft plans for the development of the Russian Armed Forces — through 2000 and through 2005; the government is examining a draft long-term armament program prepared by the Defense Ministry on the basis of proposals from the Ministry of the Defense Industry and the Ministry of the Economy.

The main objectives and guidelines for conducting the military reform are provided in Russian Federation President Boris Yeltsin's 17 July address to the Defense Ministry collegium, Andrey Kokoshin noted. These provisions have now been fleshed out in a number of documents that are being prepared for the country's top leadership.

The deputy minister stressed the need for a definite increase in defense expenditure, including expenditure on making the Armed Forces better equipped and on conducting defense research and development. This had also been tackled in the Russian Federation president's 17 July address to the Defense Ministry collegium.

Russia: Upper House Debates Parameters of National Security

LD2507133496 Moscow ITAR-TASS in English 1331 GMT 25 Jul 96

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW, July 25 (Itar-Tass) — The working out of a legal framework for the Russian national security system is stalling because there are no clearly defined priorities in the field of the country's national interests, according to Aleksandr Ryabov, chairman of the upper house security and defence committee.

Ryabov, who was addressing parliamentary hearings in the Federation Council upper house of parliament today, said several draft concepts of national security had been compiled but none was completely satisfactory.

He said it was time "to bring them together by ensuring the uniformity of approach to this most important question at the highest level in the state."

According to Ryabov, the concept must be finalised as "a long-term political document identifying Russia's role in the modern world proceeding from the Russian state's historical experience and the need to protect the rights of the individual and the interests of the public."

Russia: Agreement on Russian Troops in Kyrgyzstan Put to Duma

MM2407143196 Moscow ROSSIYSKIYE VESTI in Russian 24 Jul 96 p 1

[Unattributed report under "President" rubric: "Submitted for Ratification"]

[FBIS Translated Text] On 20 July Russian Federation President Boris Yeltsin submitted to the State Duma for ratification the Agreement Between the Russian Federation and the Republic of Kyrgyzstan on Questions of Jurisdiction and Reciprocal Legal Aid in Cases Associated With the Presence of Russian Federation Military Formations on the Territory of the Republic of Kyrgyzstan. The agreement was signed in Moscow 28 March 1996.

Regional Affairs

Russia: Assassination Attempt on Chechen Rebel Maskhadov Fails

LD2907151796 Moscow INTERFAX in English 1432 GMT 29 Jul 96

[FBIS Transcribed Text] SOUTHERN CHECHNYA, July 29 (Interfax) — An assassination attempt was carried out against Chechen rebel commander Aslan Maskhadov near a village in the Nozhai-Yurt district, in southeast Chechnya, at about 4:00 p.m. Moscow time [1200 GMT] Monday.

Maskhadov was not hurt in the incident but, according to preliminary information, one of his guards was wounded by unidentified assailants, sources in the Chechen rebel staff told Interfax.

Unknown persons fired upon the car carrying Maskhadov from machine guns, automatic weapons and sniper rifles.

The assailants numbered between five and seven, Maskhadov's bodyguards said.

Maskhadov escaped injury due to "well-organized actions by the bodyguards," a Chechen military source confirmed, adding that one of Maskhadov's bodyguards was wounded and the car taken out of service for repairs.

Russia: Raduyev Threatens To Continue Terrorist Acts in Russia

LD2707095596 Moscow ITAR-TASS in English 0946 GMT 27 Jul 96

[By Alvi Karimov, Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY, July 27 (Itar-Tass) — Chechen terrorist Salman Raduyev, or the man

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who poses as Raduyev, is going to continue combat operations and acts of subversion. This follows from his latest interview, circulated on video cassettes in Groznyy. Itar-Tass correspondents had an opportunity to see one of them.

Raduyev stressed that he would continue "the rail war on the whole of the Russian territory, including the mining of railway terminals," and that he would wage it "until the last soldier leaves the territory of Ichkeria."

Commenting on a statement of Akhmed Zakayev, "national security" adviser to Zelimkhan Yandarbiyev, leader of Chechen separatists, who said that "the leadership of the resistance forces will not permit anybody to stage acts of terrorism," Raduyev said that he was not subordinated to Zakayev. "I do not depend on Zakayev, and I am free to take decisions on my own at my front," he said. According to Raduyev, he is "ready to obey the orders of two people only: President of the Republic of Ichkeria Yandarbiyev and General Maskhadov."

Raduyev said acts of terrorism would be staged everywhere but not in Dagestan, because an agreement was signed with the coordinating council of the national movements of Dagestan, led by Magomed Khachilayev, who stood next to Raduyev during the interview.

Head of the Chechen Republic Doku Zavgayev said at a press conference on Friday that the man, who poses as Salman Raduyev, is actually a rascal. According to Zavgayev, real Raduyev is dead, and his body was buried near Urus-Martan.

Itar-Tass got a report from Volgograd on Friday night, which said that two Caucasians had been arrested in the Volgograd Region, who are suspected of being involved in the explosion, staged in the Astrakhan-Volgograd train on July 25. A representative of the regional branch of the Federal Security Service did not specify what was the nationality of the detainees, but said that experts "continue to believe that a 'Chechen trace' is possible." Aside from it, the law enforcement agencies have no doubt now that the explosion in the railway carriage was really an act of terrorism. In the opinion of specialists, it resembled the recent acts of terrorism in Moscow and Voronezh, but there is some difference: amonite was used in Volgograd, which is far more powerful than traditional trotyl.

Russia: Raduyev Said Holding Proof of Dudayev 'Rescue,' U.S. Role

MM2607101596 Moscow KOMSOMOLSKAYA PRAVDA in Russian 26 Jul-1 Aug 96 p 3

[Report by Aleksandr Lyasko: "Is Dudayev Alive and Set To Come to Chechnya Soon? At Least Raduyev Is There Already..."]

[FBIS Translated Text] It is 80-percent probable that the man who called himself Salman Raduyev at the sensational press conference on Thursday 18 July really is him. That is the finding of Moscow criminal experts who studied recordings of Raduyev's voice made there and during the raid by his gunmen on the hospital and maternity home in Pervomayskoye [as published].

According to the official version, Raduyev died as a result of a serious wound suffered during clashes with another rebel detachment. Raduyev's miraculous resurrection from the dead demands an investigation of the true circumstances of what happened.

Even more questions are prompted by Raduyev's solemn assurance, which he swore on the Koran, that Dzhokhar Dudayev is also alive and is in a foreign country. The legitimately elected president of Ichkeria is apparently waiting for the moment when he will once again be able to head the Chechen people's liberation struggle.

A version of the events involving Raduyev and Dudayev has become known from reliable sources.

In mid-March it became clear that success for the peacemaking process in Chechnya must involve the removal from the political arena of those who advocate war unto victory with Russia. Direct talks between Yeltsin and Dudayev appeared unacceptable. The rebel commanders, who had been involved in terrorist acts, had to "die" in internal showdowns or be eliminated in the course of operations by the army spetsnaz [special-purpose forces] and internal troops.

The plan was implemented virtually in full. The Chechen rebels were forced to go along with it under fierce pressure from the American and Turkish side — according to our source successful talks were held with both the Americans and the Turks with a view to promoting peace agreements. Back in May President Yeltsin signed a settlement plan with Yandarbiyev. Raduyev, who had been severely wounded in March, was announced to have died from his wounds in hospital. Dudayev was supposed to have been hit by a high-precision missile launched at his mobile space communications point. True, Dudayev's body was not produced, either to the Chechens or the Russian side,

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and for some time the military tried to pass off the shell of a conventional heavy bomb as being the remnants of the notorious missile. There was one hitch, too: Shamil Basayev, who was also destined for slaughter, categorically refused to feign death and continued to conduct military operations with his detachment.

In fact, according to our sources, immediately after being seriously wounded in March Raduyev was taken via Azerbaijan and Turkey onto German territory, where he was accommodated in a military hospital. During April and the first half of May he underwent three operations, followed by a period of rehabilitation.

In April Dudayev, alive and unharmed, followed Raduyev's path, the only difference being that he was taken first to Dagestan by car, escorted by internal troops. On his arrival in Germany Dudayev was taken to a NATO base in Bavaria, not far from Munich. He could move freely only within the military site, but he had visitors on several occasions.

Dzhokhar Dudayev received Raduyev, now cured, several times in June. Raduyev claims that he has brought documents with him confirming the fact of his meetings with Dudayev in Germany. There is reason to believe that Raduyev really does have in his possession audio tapes and photographs of meetings with the Chechen leader taken at a military base near Munich. They could be released if there is real danger to Dudayev's life: If the hidden story of Dudayev's lucky rescue is true, the role of the Americans and their allies is very ambiguous, and they might try quietly to get rid of the unwanted guest.

Russia: Raduyev Reportedly Achieves 'Peace Zone' With Dagestanis

LD2607121796 Moscow Russian Television Network in Russian 0400 GMT 26 Jul 96

[From the "Vesti" newscast with announcer Sergey Dadyko]

[FBIS Translated Text] It is hard to describe the present relations between the people of Chechnya and neighboring Dagestan as peaceful. That has become particularly apparent since the well-known events in Kizlyar and Pervomayskoye.

Meanwhile, the main organizer of the tragedies in those Dagestani settlements, the [Chechen] field commander Salman Raduyev, is still at large and, evidently wishing to atone for his sins, has adopted the unexpected role of peacemaker. Here is our correspondent Elvira Sharapilova with the details from the Chechen village of Zandak [on the Chechen side of the border with Dagestan]. [video shows a pear tree; a house with an armed guard; a meeting of at least 17 men; Raduyev can be seen at the head of the table, sitting in front of a Chechen flag pinned to the wall].

[Begin recording] [Sharapilova] The past 18 months have been a tragedy for the once good-neighborly republics of Dagestan and Chechnya. To head off any further confrontation between the two peoples, an expanded meeting was organized between Colonel Salman Raduyev and Magomed Khachelayev, chairman of the committee for the defense of peace and a deputy of the National Assembly of the Republic of Dagestan. The meeting was attended, on the Chechen side, by field commanders and, on the Dagestani side, by the leaders of national movements.

It was proposed that a demilitarized sector, or peace zone, should be created along the whole border between the two republics. This means that no military operations will be carried out, and that hostages and prisoners will be returned without any conditions.

[Salman Raduyev — no caption] As a result of our meeting, we have given an undertaking — the council of field commanders of the jihad — that from now on we shall not conduct any military operations on the territory of Dagestan. Accordingly, we have asked our Dagestani brothers to see that, through their efforts, they bring about a situation in which Russian troops do not open fire on the Chechen Republic-Ichkeria from Dagestan.

[Sharapilova] A philosopher once said: There is a time to throw stones and a time to pick them up. That time has already come. May the stones that are picked up become the foundation on which a friendly, bright, and peaceful home named Russia is built. [video shows garden; the pear tree again; the house — this time with two women emerging from it] [end recording]

Russia: Chechnya's Zavgayev Claims Raduyev 'Definitely Dead'

LD2607102096 Moscow ITAR-TASS in English 1012 GMT 26 Jul 96

[By Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY July 26 (Itar-Tass) — Chechen pro-Moscow leader Doku Zavgayev claimed on Friday that Chechen terrorist Salman Raduyev was definitely dead and the man who posed for him was a "crook".

"Raduyev is dead and was buried in the region of Urus-Martan", Zavgayev told reporters adding that doctors who saw how Raduyev was killed could confirm his death.

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Zavgayev made the statement nearly a week after the sensational "ressurection" of Raduyev, who raided the Daghestani rown of Kizlyar in January and took hundreds of hostages there. It was later reported that he was killed in a clash with a warring group of separatists.

The man who claimed to be Raduyev said at a press conference in the Chechen mountains that he had been treated in Germany and had plastic surgery there.

Sergey Stepashin, former head of the Federal Security Service, said he knew Raduyev had not been killed. However, no Russian official had denied reports on Raduyev's death when they appeared.

The popular MOSKOVSKIY KOMSOMOLETS daily had the January and July video recordings of Raduyev compared by forensic experts who said the "resurrected" man was practically definitely Raduyev himself. Only the black eye-glasses worn by the man during the press conference impeded the experts to make a 100 per cent definite statement.

Whoever the man may be, he threatened Russia with a "railway war" and claimed responsibility for the failed explosion of the central railway station in the city of Voronezh.

On Thursday an empty car of a passenger train exploded in the city of Volgograd. Nobody has yet claimed responsibility.

On Friday morning 16 train tanks with diesel fuel derailed and caught fire in Eastern Siberia. The causes of the accident have not yet been determined.

Russia: Raduyev Resurrection Said Designed To Strengthen Chechen 'Hawks'

MK2707073096 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 25 Jul 96 pp 1-2

[Report by Aleksandr Khinshteyn and Aleksandr Belonovskiy: "MOSKOVSKIY KOMSOMOLETS Solves the Mystery of a Chechen Rebel's Resurrection. Salman Raduyev, Who Has Risen From the Dead"]

[FBIS Translated Excerpt] [passage omitted]

Not wishing to engage in empty talk, we decided to turn to experts for help. With the personal permission of the Russian internal affairs minister, specialists of the Internal Affairs Ministry's Expert Criminology Center (ECC) conducted an investigation designed to find out exactly who appeared before journalists near Gudermes, a resurrected Raduyev or his double?

The experts were given the videotapes on which Raduyev was recorded during the Kizlyar massacre and at his impromptu news conference of a week ago.

The results have surpassed all our expectations. Shortly the specialists came up with a joint opinion: One can say with a good deal of assurance that this man is that same bloody Salman.

"We drew this conclusion on the basis of a number of characteristic features shared by the person on the first and the second videotapes, such as, the configuration of his concha of the auricle; the configuration and form of the lower lip, characteristic features of his teeth, the existence of crowns and the form of his lower-jaw teeth, the hair line of his beard, as well as a number of other secondary indicators. However, alongside the identical details there are those that differ considerably, first of all, the form and configuration of his nose. The upper part of his face is covered by glasses and a beret, for which reason we cannot pass a judgment on it at all. Probably, this difference is a consequence of his injury and subsequent surgical intervention," said Andrey Savushkin, ECC department chief.

On the same day the materials of the expert appraisal were put on Minister Kulikov's desk. According to his personal directive, they were sent to the first television channel.

So, the mystery is almost solved. The person who has emerged on the political scene is not an impostor, but the real Salman Raduyev, alive and kicking. But unsolved secrets have not decreased in number for that.

It is unclear, for instance, how the Russian special services could have let him slip — Raduyev, who was put on the federal wanted list on charges of premeditated murder (Article 102); terrorism (Articles 213-3 and 77); hostage taking (Article 126-1).

Nor is it clear why Raduyev emerged only at this stage and what objectives he (or those who stand behind him) pursued by staging his public appearance.

We can offer the following theory.

It is common knowledge that Raduyev was "created" as a sort of counterweight to Shamil Basayev, who by the time of the Kizlyar-Pervomayskoye operation wielded such clout that he not only headed the central, most important, front but also supplied his personal guard to protect Dudayev.

But in a battle test Raduyev did not live up to the expectations pinned on him. He completely bungled the operation, leaving more than 200 of his servicemen dead. Furthermore, about 100 dead bodies were left

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lying on the battlefield, which is simply a crying shame for Chechens.

According to our reliable information, at least 30 Chechen rebels proclaimed Salman their "blood" enemy in revenge for the death of their relatives. The number of his "blood" enemies in neighboring Dagestan, where 2,000 local women were taken hostage by the terrorists led by Raduyev, appears to be completely impossible to count.

In this regard we think it very interesting to pay attention to the developments of 5 March, when Raduyev was ambushed and allegedly fatally wounded.

It is quite evident that the ambush was not set by the Russian special services. This was recognized even by the "victim" himself, who blamed mountain people dressed in federal uniform for the shooting. The only question is exactly what drove the mountain people — revenge or domestic political interests?

Let us recall that soon after Raduyev's "death" Dzhokhar Dudayev followed him to the next world. After the ensuing scramble to redivide power most members of Dudayev's old guard were left out in the cold, while the "shadow" advocates of peace talks, Zelimkhan Yandarbiyev and Aslan Maskhadov, came to the forefront. It is quite natural that the "intransigent" Shamil Basayev, who never rose higher than the post of front commander, immediately found himself in opposition to them.

The confrontation between Yandarbiyev and Basayev looks fairly threatening. Wielding real clout in the military, Shamil has effectively slipped out of the Ichkerian leadership's control and stands a good chance of becoming a new national leader. The resurrected Raduyev clearly plays into his hand, announcing General Joe's will — to continue the war. In the light of the great Dudayev's behest, the peace-loving stance of Maskhadov-Yandarbiyev looks but a sellout of national interests.

Proceeding from this premise, one can put forward two scenarios of the further development of events.

1. If Yandarbiyev manages to reach a cease-fire agreement with Moscow (backed by a number of influential field commanders; one of them, Akhmed Zakayev, has already said that no one has the right to take issue with the will of the republic's leadership), Raduyev will have to disappear after staging a couple of terrorist acts to bid farewell.

2. If the party of "hawks" gains the upper hand and the war continues, Yandarbiyev and Maskhadov will leave the stage, ceding the leadership to Basayev. Raduyev will be somewhere in the vicinity, devoutly defending the interests of freedom and independence — of course, as he himself sees them.

It should be noted that what was said above is but our theories, albeit based on real facts. One thing is clear, however: The bloody Salman Raduyev has returned to walk the earth — clearly not to restore peace, order, and justice on it....

Raduyev is not the first Chechen who has risen from the dead. Long before him, approximately in the 1840's-1850's after Christ the same trick was practiced by the legendary Shamil. Furthermore, he returned to life several times, thus eliciting superstitious awe from among his comrades-in-arms and fellow Muslims.

The future will tell whether Dzhokhar Dudayev, "blown to smithereens by a precision hit of a Russian missile," will follow in his brother-in-law's footsteps. Come what may, the story of Raduyev is clear proof of that the contemporary Chechens are not the same as they used to be. They have assimilated perfectly well the tactical methods of modern warfare, its psychology, strategy, and special propaganda effects.

The further, the better will they assimilate this science, successfully using these techniques in practice for as long as it takes, even 50 years.

P.S. The newspaper's editorial board and authors express their sincere thanks to Russian Internal Affairs Minister Anatoliy Kulikov; Igor Karlin, chief of the Internal Affairs Ministry's ECC; Sergey Pankratov, deputy ECC chief; Andrey Savushkin, ECC department chief; chief expert Aleksey Zotov; and senior expert Vladimir Serov for their important assistance in the preparation of this material.

Russia: Zavgayev 'Skeptical' of Prospects for Talks With Opposition

LD2807104296 Moscow INTERFAX in English 0750 GMT 28 Jul 96

[FBIS Transcribed Text] GROZNYY, July 28 (Interfax) — Doku Zavgayev, Moscow-backed Head of the Chechen Republic, is skeptical with regard to prospects for talks between the Russian federal authorities and Chechen separatists on a peace settlement of the Chechen conflict.

The separatists "do not want peace," he told Interfax on Sunday.

"If they thought about the people's good they would have ended the war long ago," Zavgayev said.

The meeting between North-Caucasian Military District Commander Anatoliy Kvashnin and Chechen rebel

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forces commander Aslan Maskhadov slated for next week "will not bring expected results," Zavgayev said.

"Nobody is behind Maskhadov. He is guided only by his personal ambitions," he said.

Representatives of the legitimate authorities are meeting with armed supporters of Chechen separatists, Zavgayev said.

"One talks to them, explains them how dangerous it is to continue to conduct combat actions, and people understand this. These are just stray souls," he said, adding that such meetings are "part of inter-Chechen dialogue."

The trend toward the establishment of peace in Chechnya is gaining momentum, Zavgayev said.

No firing was heard in Chechnya during the last five days, he said.

"The republic is coming back to normal step by step. People have begun to collect harvest in some rural areas," Zavgayev said, adding that Russian troops cleared mines in the areas where combat actions had been waged.

Russia: Explosion Rocks Area Near Government House in Groznyy

LD2807073396 Moscow INTERFAX in English 0612 GMT 28 Jul 96

[FBIS Transcribed Text] GROZNYY, July 28 (Interfax) — A powerful explosion hit a district near the House of Chechen Government in the Chechen capital of Groznyy at around 8:00 p.m. Saturday, a representative of the Moscow-backed Chechen Interior Ministry told Interfax.

"The explosion is likely to have been caused by a powerful land mine planted in an uninhabited one-story house, the same source said.

No casualties were reported, the same source said, adding that Groznyy streets are usually empty in the evening.

However, the explosion took off the building's roof, the same source said.

Russia: Zavgayev Says Groznyy Explosion 'Planned Action'

LD2807073896 Moscow Mayak Radio Network in Russian 0600 GMT 28 Jul 96

[FBIS Translated Text] An hour ago we broadcast a report by INTERFAX news agency on a powerful explosion which occurred at about 2000 yesterday evening. Here is our correspondent Pavel Guskov in the North Caucasus with an explanation of this matter.

[Guskov] The powerful explosion, which was reported by the mass media and occurred in a deserted building in the center of Groznyy yesterday evening and which resulted in no casualties, was not a terrorist act. Doku Zavgayev, the head of the Chechen Republic, told me this in a conversation with me 15 minutes ago. The explosion was a planned action by sappers to destroy a dangerous building which was damaged during clashes in the town. Zavgayev said that fortunately there has been a tendency for the crime rate to fall in Chechnya over the past three days, and in Groznyy in particular. Zavgayev said there are no combat actions going on in Chechnya and described the current situation as stable. He stressed that the government is making and will continue to make efforts to promote peace.

Mayak, North Caucasus, Pavel Guskov.

Russia: OSCE's Guldimann Satisfied With Meeting With Chechen Leader

LD2607151096 Moscow INTERFAX in English 1500 GMT 26 Jul 96

[FBIS Transcribed Text] GROZNYY, July 26 (Interfax) — Swiss diplomat Tim Guldimann, head of the OSCE support mission in Chechnya, told Interfax that he was satisfied with the results of his meeting with Moscow-backed Chechen leader Doku Zavgayev in the Chechen capital of Groznyy on Friday. He expressed hope that he will now be able to continue working in the republic.

Earlier Zavgayev twice said that Guldimann's actions discredited the OSCE and demanded that he should leave Chechnya. However, his demands were not supported by the Russian Foreign Ministry, which agreed to the creation of the OSCE mission in Chechnya.

Guldimann said Zavgayev initiated the Friday meeting by inviting him to dinner. He said they discussed cooperation, possible further steps and reached an understanding.

Guldimann said he proposed that Zavgayev meet with representatives of international humanitarian organizations working in Chechnya to discuss their problems. According to him, the Chechen leader agreed to this meeting, which the OSCE mission will prepare.

Asked about the possible meeting between Gen. Anatoliy Kvashnin, commander of the North Caucasus military district, and Chechen rebel commander Aslan Maskhadov, which has been postponed several times, Guldimann said it may be held early next week. He said he had spoken with Maskhadov twice in the past

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two days to discuss the meeting. Guldimann said Kvashnin is currently in Moscow and will return to Chechnya Sunday. Both the federal side and Maskhadov are prepared for the meeting, he said.

Guldimann believes the military leaders will meet tete-a-tete. However, he did not rule out that the meeting may be attended by deputy federal commander in Chechnya Gen. Konstantin Pulikovskiy. The sides will discuss military issues, an end to hostilities and the exchange of prisoners of war, he said.

He categorically refuted reports that Dzhokhar Dudayev, the Chechen separatist leader reportedly killed in a Russian rocket attack on April 21, had not died but was heavily wounded and taken out of Chechnya with the help of the OSCE. Guldimann described the reports as false and provocative. He would not confirm or deny the fact of Dudayev's death but made an official statement that the OSCE would not be drawn into such games by any political forces.

Russia: General Pulikovskiy Interviewed on Chechnya Policy

LD2807180496 Moscow Russian Television Network in Russian 1600 GMT 28 Jul 96

[Interview with General Konstantin Pulikovskiy, commander of the provisional group of federal forces in Chechnya, by correspondent Nikolay Svanidze; from the "Zerkalo" newscast — live]

[FBIS Translated Text] [Svanidze] Konstantin Borisovich, what is the present situation in Chechnya, how would you describe it?

[Pulikovskiy] The situation in the Chechen Republic remains complex, but we are not carrying out any of those combat actions that these gang leaders are talking about, because there is really no one to mount them against. According to our estimates, there are something like 70 gangs, with from 15 to 30 members each. We are carrying out reconnaissance and search operations. We are finding them and destroying them. We are destroying their bases, the places they use as their bases. This is the sort of work that is going on.

In the territory of the Chechen Republic as a whole everything is being monitored and the lawful authorities and the republican government, headed by Doku Gapurovich Zavgayev, continue to function. Normal work continues.

[Svanidze] Konstantin Borisovich, according to our information, there was a meeting of the so-called State Committee for the Defense of Ichkeria [Chechnya] during the night in the mountains of Shatoyskiy District. It was conducted by Zelimkhan Yandarbiyev and what was said there was that when the situation finally conforms to the Nazran Agreements then it will be possible to continue the dialogue and the negotiations. What are your comments on that?

[Pulikovskiy] I have no information that such a meeting took place and I do not understand what the leaders of these organized gangs expect with their councils for defense. Where is this council? Where is its telephone? Where is it located? Where is this chief headquarters, as they call it? They are just bluffing. This view is confirmed in many respects by the information we have. I do not understand what talks they want to hold and with whom.

[Svanidze] Is there finally some hopeful news?

[Pulikovskiy] There is of course hope as far as stabilization is concerned. But as regards the destruction of these bandits who have been reared and fattened here over the past four years or even more, this of course will be a lengthy business yet before the law enforcement bodies, the police, and all the other structures of the law enforcement bodies have been strengthened so as to completely eradicate this criminal regime that Dudayev created here.

[Svanidze] Thank you, Konstantin Borisovich, I wish you success.

[Pulikovskiy] Thank you.

Russia: Federal Officials, Chechen Rebels Discuss POW Exchange

LD2707205996 Moscow ITAR-TASS in English 2052 GMT 27 Jul 96

[By Alvi Karimov and Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY, July 28 (Itar-Tass) — Representatives of the Russian government and Chechen separatists met behind the closed doors in Groznyy on Saturday to discuss the exchange of prisoners of war.

The meeting was mediated by the Organisation for Security and Cooperation in Europe (OSCE).

Chechen separatists were represented by their interior minister Kazbek Makhashev. The Russian delegation was led by army officer Aleksandr Pilipenko.

Both sides discussed the implementation of Article 13 of the Nazran protocol on the exchange of prisoners of war (POWs), the OSCE mission head told Itar-Tass.

Trustworthy sources said that almost half of POWs have already been exchanged — 14 federal troops and 14 Chechen rebels.

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Russia: Federal Troops Repulse Chechen Rebel Attack on Bamut

LD2907073796 Moscow INTERFAX in English 0723 GMT 29 Jul 96

[FBIS Transcribed Text] GROZNYY, July 29 (Interfax) — Six Russian servicemen were killed and 18 wounded as federal troops came under fire on 11 occasions, including seven times in the Chechen capital of Groznyy, in the past 24 hours, a spokesman for the press center of united command told Interfax on Monday.

The separatists made another attempt to capture the mountain village of Bamut in the west of Chechnya, the spokesman said.

"A unit of rebels numbering 50 to 60 men attacked the Interior Ministry troops temporarily deployed in the town from two directions. Their attacks were rebuffed; several servicemen were wounded," the spokesman said.

Russia: Chechen Interior Ministry Official Murdered

LD2807203996 Moscow Radio Rossii Network in Russian 2000 GMT 28 Jul 96

[FBIS Translated Text] Yevgeniy Patakov, an official of the Chechen Ministry of Internal Affairs headquarters, has been murdered in his Groznyy apartment. The headquarters of the federal troops command in the republic reports that there was an earlier attempt on the life of Patakov's mother. She received a gunshot wound but her life was saved by the doctors.

Russia: Federal Delegation Demands Chechens Denounce Terrorism

LD2707202396 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 27 Jul 96

[FBIS Translated Text] There will be no talks with Chechen opposition representatives until they publicly denounce terrorism, Vyacheslav Mikhaylov, head of the federal delegation at the talks with the separatist leadership, told our radio.

[Begin Mikhaylov recording] What do we have today? On every TV and radio channel we hear statements by Raduyev, but the Chechen delegation at the talks does not denounce them. We hear about terrorist acts and threats to carry out new ones, and so on. What does this mean? What sort of peace talks can be held if Basayev and Yandarbiyev are sitting side by side? Our agreement signed last summer by Maskhadov and Yerikhanov, a member of the Chechen delegation at today's talks, says they will cooperate in giving up terrorists. Today I have apprehensions — not only I personally, but we all — that Yandarbiyev and terrorism go hand in hand. [end recording]

Economic Issues

Russia: Davydov on WTO 'Restrictions,' Slowdown in Talks

LD2707135796 Moscow INTERFAX in English 1336 GMT 27 Jul 96

[FBIS Transcribed Text] MOSCOW, July 27 (Interfax) — Russia yearly misses profits totaling $1 billion because of various kinds of restrictions on its export to many of the World Trade Organization (WTO) member countries, a senior minister complained.

Commenting on current talks on Russia's bid to join the WTO, Oleg Davydov, Russian deputy prime minister and foreign economic relations minister, told Interfax in an exclusive interview that in his view "the process is getting somewhat dragged out, which is doing equal harm to the interests of all the negotiating parties."

"Russia is being harmed because of the restrictions and the WTO members because of Moscow's complete freedom of action in matters of tariff regulation and protection of the interests of its national market," Davydov said.

"Today the WTO is not an organization whose requirements are binding for Russia," he said. "We have repeatedly told our negotiation partners: the sooner Moscow joins the WTO the sooner we will start regulating our foreign economic activity on the basis of the rules adopted by that organization."

At present, however, "what Russia, being free from any commitments, considers compulsory for itself are its national interests alone," which "dictate the need to give all forms of support to its own manufacturers, including increasing its import tariffs and other protectionist measures."

Nevertheless, "Moscow would very willingly take another route if, in the context of its joining the WTO, the problems of access of Russian goods and services to the markets of members of the World Trade Organization were quickly settled." In that case "it would be possible to go over to the comprehensive discussion of the trade aspects of the investment process and put emphasis on the enlargement of Western investment into the Russian economy, with granting preferential terms, including tariff concessions, to large investors," the minister said.

"Such investors, producing their goods directly in Russia and not tied down by any customs barriers, would

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receive the widest possible access to the big Russian market, which consists of 160 million people."

"The problem of external barriers in trading relations between the Russian Federation and WTO members must be tackled without any delay in the mutual interests of the parties," Davydov concluded.

The next round of talks on Russia's application for WTO membership is scheduled for autumn this year.

Russia: Russia Awaits Investment Boom After Inauguration

LD2607172696 Moscow ITAR-TASS in English 1710 GMT 26 Jul 96

[By Business-Tass]

[FBIS Transcribed Text] MOSCOW, July 26 (Itar-Tass) — Foreign investors will make a final decision on whether to develop their activity on the Russian market only after a new Russian government is formed, Chairman of the Federal Commission on Securities Market Dmitriy Vasilyev told Itar-Tass on Friday.

"The volume of foreign investments in the Russian economy will certainly increase before the end of the year," he told a press conference.

According to Vasilyev, the investment boom right after Boris Yeltsin was elected as Russia's president, which many analysts have predicted, did not happen first of all because of an "overheating" of the market between the first and the second rounds of the elections.

Besides, most Western businessmen involved in the market "are simply on holidays" in July and August, he said.

The commission chairman said he saw no correlation between the current quotations slump and another financial crisis feared by many experts.

"Most problems existing in the Russian economy at present, in particular in the sphere of tax collection, are not unresolvable. The government is in the position to work out measures for their resolution," Vasilyev believes.

He also said he welcomed efforts of the Russian Central Bank to establish order at the market of banking services.

Vasilyev also informed the conference about the opening of the Russian-American forum on the development of securities market within the Gore-Chernomyrdin commission.

Working groups have been set up in the framework of the forum to work out recommendations concerning the development of collective investments, and practical application of laws on stock market.

Their decisions will be handed in to the Gore-Chernomyrdin commission meeting due late in 1996.

Russia: Official Calls On Western Investors To 'Hurry Up'

LD2607183396 Moscow INTERFAX in English 1625 GMT 26 Jul 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, July 26 (Interfax) — Deputy Russian Prime Minister and Minister for Foreign Economic Relations Oleg Davydov has called on western investors to hurry up with investment into Russia now in order not to miss their chance.

In an interview with Interfax, he said that if they delay, they might lose the huge Russian market forever. Davydov is confident that Russian investors, who would soon surge to the fore, would allow foreigners to play only a subsidiary role, but not a leading part.

"Gentlemen, Russian entrepreneurs who are building up their own muscle may banish your entry into the Russian investment market tomorrow, let alone the day after," he said.

But he also showed an understanding of the indecision displayed by foreign investors. "They are still in the grips of the historical fear of an unpredictable Russia," Davydov said, adding that the country had started to get out of the mire of totalitarian rule only ten years ago. He said it was only four years ago that Russia had embarked on the path of market reforms. "Although political risks have vanished and economic ones have been brought to a minimum after (President) Boris Yeltsin's victory, foreign investors still have fears," Davydov said adding that these fears were groundless.

"Western investors would have had impressive results if they had acted much more boldly," he said.

Russia: Influx of Foreign Investment Unlikely Before 1997

MM2907100196 Moscow FINANSOVYYE IZVESTIYA in Russian 25 Jul 96 p i

[PRAYM report: "Extensive Inflow of Foreign Capital Unlikely Before Next Year"]

[FBIS Translated Text] An extensive inflow of foreign capital to Russia will only happen in 1997, given that, as a rule, it usually takes at least six months from the start of talks to the signing of an investment deal, Sergey Tsakunov, general director of the Russian Ministry

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of the Economy's Russian Center for the Promotion of Foreign Investment, has stated. Most probably the second half-year will see insignificant growth in inward investment. According to S. Tsakunov, total investment in 1996 is planned to be $3-3.5 billion. In the first quarter it came to $0.88 billion and 242.91 billion rubles [R] — of which $0.38 billion and R227.31 billion was direct investment, and $0.007 billion and R0.94 billion was portfolio investment.

Russia: Government's Tighter Fiscal Policy Seen Scaring Investors

MK2707132796 Moscow KOMMERSANT-DAILY in Russian 26 Jul 96 p 2

[Report by Vadim Bardin under the "Financial Policy" rubric: "The Hour of the Publican"]

[FBIS Translated Text] Two remarkable events occurred in Russian financial policy yesterday. Boris Yeltsin issued the edict "On Measures To Ensure State Financial Control in Russia," and Yevgeniy Yasin straightforwardly referred to a financial crisis. What follows from that? If anyone still had any illusions about a beginning of an investment stage in economic development, now they have been dispelled. A priority in economic policy has been named bluntly: Fiscal pressure. So much for investment.

Yevgeniy Yasin's Prophesies

Yevgeniy Yasin's status in the government is fairly peculiar. His implicit role is an internal opponent and a critic — sometimes an unexpectedly bitter one — of the government policy. In this regard one may praise the stance of Yasin the citizen, but one may also bemoan the omission of Yasin the minister from the group that charts the economic course, which appears to be the actual cause of his skepticism. At any rate, Yevgeniy Yasin has one indisputable asset: He does not create economic myths, he shatters them.

On 25 May KOMMERSANT-DAILY reported Yevgeniy Yasin's letter to Viktor Chernomyrdin, in which the economy minister made an inauspicious diagnosis regarding the economic policy of the time. Let us recall the problems pointed out by Yasin: An economic growth in a number of industries was caused primarily by the nonpayment of taxes; the definitive repayment of back wages in the budget-financed sector and pensions is absolutely unrealistic; currency reserves may go down to $3-4 billion by the time of the election; an attempt to attract extra money to pay off the budget deficit may cause major crises on markets for government securities, lending, and currency even before the election. The minister's forecast is coming true.

Having assumed the role of doomsayer, the economy minister focused on financial problems yesterday. Generally speaking, the data cited by the minister look as follows: While in 1995 tax revenue in the federal budget accounted for about 13 percent of GDP, in the first six months of this year it barely reached 10 percent. He suggested an obvious way out of the impasse, which is of little comfort to the business, though. The operational staff for financial stabilization becomes the government's key agency with the main objective of improving the collection of taxes. As for investment, Yasin talks about it without any emphasis whatsoever, even though this was a key subject in the electoral speeches on the economic theme by both the president and the prime minister. He states sadly that since the beginning of this year investment programs have been financed to the tune of only 13 percent of the plan target. So the objectives have been defined, the goals are clear, and we will not have to wait long for the publicans, inspired by confidence at the top, to get down to business.

Boris Yeltsin's Plans

A signal for a tax attack has already sounded; this is the edict "On Measures To Ensure State Financial Control in Russia." Despite its stern title, at first sight the edict does not contain any revelations that would be frightening for a taxpayer. But this is only at fist sight. The main idea is consolidation of state control over the execution of the federal budget and the budgets of federal extrabudgetary funds, the organization of money circulation, and the use of lending resources. Things did not go as far, however, as the creation of a single financial monster out of the Finance Ministry, the State Tax Service, the Tax Police Department, and the State Customs Committee. Yet, the government was tasked with drawing up and submitting to the State Duma within a month draft amendments to a number of pieces of legislation, including the Criminal Code. These amendments are due to introduce the personal responsibility of chiefs and officials of federal agencies of the executive branch, chief executives of organizations, enterprises, and institutions for untimely or incomplete funding and for providing funds for purposes other than those initially specified.

It seems that this is not the end yet. Deep inside the Internal Affairs Ministry another presidential draft edict has been drawn up, in whose name a police knock at a taxpayer's door is clearly discernible; it is entitled "On the Participation of Internal Affairs Agencies in Exercising Control Over the Receipt of Taxes and Other Mandatory Payments to the Budget and State Extrabudgetary Funds." So the tax police is about to be reinforced — possibly, by the Special Purpose Police Detachments and the renamed Dzerzhinskiy Division. KOMMERSANT-DAILY will publish a detailed commentary on the Internal Affairs Ministry's initiative tomorrow. But even today there is no doubt whatsoever that the investor, unlike the taxpayer, will have a sound — and long — sleep.

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International Affairs

Ukraine: Udovenko Delivers Nuclear-Free Proposals to Washington

LD2707171096 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 27 Jul 96

[FBIS Translated Text] Ukrainian Foreign Minister Hennadiy Udovenko, who visited Washington with a Ukrainian Government delegation, met Strobe Talbott, U.S. deputy secretary of state yesterday, the Ukrainian embassy in the United States reported. During a friendly conversation, the sides discussed the present state of bilateral relations. Special attention was paid to the working plans of a Ukrainian-U.S. commission led by President Leonid Kuchma and U.S. Vice President Albert Gore.

The Ukrainian foreign minister gave Talbott a letter addressed to Secretary of State Warren Christopher, setting out in detail the Ukrainian president's initiative on the establishment of a nuclear-free zone in Central and Eastern Europe.

Talbott and Udovenko also discussed issues concerning European security, trans-Atlantic cooperation, and Ukraine's integration into European structures. The Ukrainian minister briefed the U.S. official on the course of economic reforms launched by President Kuchma and actively implemented by newly appointed Prime Minister Pavlo Lazarenko.

Ukraine: U.S., Ukraine Disagree Over Use of SS-24 Missiles

LD2707222496 Kiev UNIAR in Ukrainian 1830 GMT 27 Jul 96

[FBIS Translated Text] Kiev — Ukraine and the United States yesterday signed an agreement on the launch of artificial satellites from Ukrainian Zenith launching vehicles. Norway and Russia will also take part in the project.

Two contracts have been signed. The first, the "Sea Launch" project, will begin to be implemented in 1998. The second, concerning the "Global Launch" program envisages the launch of 36 artificial satellites using three Zenith launching vehicles. The objective is to establish space communication systems.

The Ukrainian side proposed rebuilding SS-24 ICBMs into satellite launching vehicles. But Harold Smith, assistant to the U.S. secretary of defense, told a news conference in Dnepropetrovsk that the United States did not believe in using the SS-24 missile for space launches. "We would recommend destroying these missiles because they are too expensive to maintain," he said. Smith added that four U.S. companies were already working to develop the most affordable methods of destroying this type of missiles. "We would welcome a Ukrainian Government decision to destroy these missiles and would be willing to help in this matter," he said.

Pivdenmash Chief Designer Stanislav Konyukhov argued, however, that the best way to recycle SS-24 missiles will be to use them in space launches. He disagreed with the U.S. view, and said the question of destroying SS-24 missiles had not been considered.

Ukraine: Lazarenko: Relations With U.S. Foreign Policy Priority

LD2707154696 Moscow INTERFAX in English 1427 GMT 27 Jul 96

[FBIS Transcribed Text] WASHINGTON, July 27 (Interfax-Ukraine) — Ukrainian Prime Minister Pavel Lazarenko said on Friday relations with the United States had become one of his country's foreign policy priorities.

"What is going on is a steady process of development of bilateral contacts between partners," Lazarenko was quoted by a special Interfax-Ukraine correspondent as saying at Washington's National Press Club. "We are grateful to the United States for supporting Ukraine."

"The development of Transatlantic cooperation and integration into European structures remain the main area of Ukraine's foreign policy," the prime minister said.

Asked about Ukraine's relations with Russia, he said his country "is determined to continue developing economic links with Russia, believing that stability in relations with it is guarantee of security in post-Soviet and European space."

"Ukraine's independent and well-balanced policy meets not only its own long-term interests but also those of the West, including the United States," he said.

Ukraine: Prime Minister Meets U.S. Congressional Committee

LD2607124596 Kiev UNIAN in Ukrainian 0830 GMT 26 Jul 96

[FBIS Translated Text] Washington [no dateline as received] — On 25 July, Ukrainian Prime Minister Pavlo Lazarenko, who heads a Ukrainian Government delegation on a working visit in the United States, met congressional leaders from the House International Operations and Human Rights Committee.

According to the Ukrainian Embassy in Washington, Lazarenko briefed the American congressmen on radical economic reforms in Ukraine, in particular, those aimed

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at stabilizing the national monetary unit; developing small and medium private business; and privatization. He stressed the importance of assistance for the country on the part of the West, in particular the United States.

Committee Chairman Benjamin Gilman in turn briefed Lazarenko on congressional debate in support of the Ukraine and expressed his conviction that the U.S. Congress would continue to provide comprehensive support for the foreign policy of Ukraine and the policy of reforms carried out by Leonid Kuchma. To substantiate this support, he noted that Ukraine remains the third largest recipient of U.S. economic assistance.

Both sides confirmed that the Ukrainian-American relationship has reached the level of democratic partnership and fully reflects the national interests of both countries. The members of the committee supported Ukraine's aspiration to cooperate actively with the United States in regional structures, in particular the United Nations and the OSCE; and to develop special partnership relations in NATO.

Ukraine: Lake Upbeat on U.S.-Ukrainian Relations

LD2607173096 Moscow INTERFAX in English 1625 GMT 26 Jul 96

[FBIS Transcribed Text] Washington, July 26 (Interfax - Ukraine) — The Ukrainian-U.S. relations have assumed a true partnership character, believes Anthony Lake, national security adviser to the U.S. President.

He met in Washington today with Ukrainian Prime Minister Pavlo Lazarenko, who is currently on a two-day working visit in USA.

Accoring to the special "IF-U" correspondent, in the course of the meeting, the sides spoke out in favour of deepening trans-Atlantic cooperation and speeding up Ukraine's integration into the European structures.

The Ukrainian Premier pointed out "importance of the implementation of President Kuchma's initiative for the creation of a nuclear free zone in Central and East Europe.

"In this connection, he stressed that "the completion of withdrawal of nuclear weapons from Ukraine is in the best interests not only of the states in the region, but of the whole world".

In the course of the meeting, issues were also discussed of strengthening the regime of non-proliferation of mass annihilation weapons, delivery vehicles and corresponding equipment.

Mr. Lake expressed hope for the settlement in the near future of issues involved in Ukraine's joining the Rocket Technology Control Regime.

Ukraine: Premier Urges U.S. Render Financial Aid to Kiev

LD2607184296 Kiev UNIAN in Ukrainian 1700 GMT 26 Jul 96

[FBIS Translated Text] Washington — The Ukrainian leadership is taking urgent measures to lead the state out of the crisis as soon as possible; however, in so doing it proceeds from the fact that financial aid should be rendered to the state without delay, Ukrainian Prime Minister Pavlo Lazarenko told journalists at the U.S. National Press Club today.

The Ukrainian embassy in the United States has told UNIAN that the head of government expressed the hope that the United States will continue to show understanding of the problems facing the Ukrainian economy and will render the required assistance. He said Ukraine had never deviated from the economic transformations program that was agreed with the International Monetary Fund.

Lazarenko expressed gratitude to U.S. President Bill Clinton, his administration, and the U.S. Congress for the political and economic support they gave to Ukraine.

Lazarenko also said that the deepening of trans-Atlantic cooperation and Ukraine's integration into European structures remained the main priorities in Ukraine's foreign policy and "it's conscious choice." The fact that Ukraine gave up nuclear weapons, embarked on the road of market transformations, and is solving all domestic problems by peaceful, constitutional means, in conjunction with its economic and scientific potentials, makes Ukraine one of the main factors of stability in the region and in Europe as a whole, Lazarenko believes.

Ukraine: Lazarenko Says Ukraine Needs IMF Aid To Develop Reforms

LD2707153396 Moscow INTERFAX in English 1401 GMT 27 Jul 96

[FBIS Transcribed Text] WASHINGTON, July 27 (Interfax-Ukraine) — Ukraine needs financial aid from the International Monetary Fund for developing market reforms rather than for paying off overdue wages and pensions, Ukrainian Prime Minister Pavel Lazarenko said in the U.S. National Press Club on Friday.

During the talks between the Ukrainian governmental delegation and the IMF, the sides managed to coordinate nine basic projects regarding IMF financial support of Ukraine, Lazarenko said.

"If Ukraine manages to implement what was planned in an effective fashion, the funds earmarked by the IMF

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will suffice to end this year successfully and continue to implement reforms," he said.

The IMF is currently contemplating the possibility of extending a stabilization loan for the introduction of a national currency for the first time in its history, Lazarenko said, adding that "the IMF is ready to take the risk and extend such a loan to Ukraine."

Regarding wage and pension arrears, Lazarenko said that this was "Ukraine's domestic problem which the country will settle itself." Among measures to pay off overdue wages and pensions, he cited "redistribution of funds within the state budget."

"The funding of all state programs has been suspended for this purpose," he said, adding that "80 percent of all coming funds is spent on social payments to the population."

Ukraine: Officials Send Out Conflicting Signals Over NATO Policy

MK2607125596 Moscow NEZAVISIMAYA GAZETA in Russian 25 Jul 96 p 3

[Report by Tatyana Ivzhenko under general headline: "Ukraine Strives To Be Closer to the West. At the Same Time a Certain Portion of the Kiev Political Establishment Is Trying To Distance Itself From Partnership With Russia"]

[FBIS Translated Text] The Ukrainian presidential staff has sharply denounced the latest comments by Ukrainian Ambassador to Slovakia Dmytro Pavlychko to the effect that Ukraine in the future intends to abandon its nonbloc status and accede to NATO. "The definition of all foreign-policy lines of our state is the prerogative of the president, not the Foreign Ministry. An ambassador is even less fit to make such statements," said Viktor Voronin, deputy chief of the Ukrainian presidential staff foreign policy administration. According to him Ukraine's position on cooperation with NATO remains immutable. "We do not intend to abandon our nonbloc status or our position of nonalignment with respect to any military bloc — be it NATO or the Tashkent Pact. This has been repeatedly stated by President Leonid Kuchma," Mr. Voronin noted. "Ukraine has always advocated special relations with NATO, but this does not at all mean that we have embarked on the course toward acceding to the North Atlantic alliance. So, there is no reason for talking about any ambiguity in Ukraine's position on this issue."

This point was also supported by presidential chief of staff Dmytro Tabachnik, who told a briefing on 24 July: "The position of our state is presented in documents signed by the president of Ukraine and the Foreign Ministry. I would like to especially stress that no ambassador may comment at his discretion on the position of the state, which is outlined in state documents. Unfortunately, this occasionally happens. You will recall that an arbitrary interpretation of a Foreign Ministry statement led to reports, which had no basis in reality, alleging that Ukraine intends to become an associated member of NATO.

"Such distortions have recently caused allegations that Ukraine has barred participation by the Russian Federation in the naval exercises under the Partnership for Peace program that were conducted in the Black Sea basin. Several countries took part in them: Romania, Turkey, Italy, France, and others. For several days Russian mass media circulated a report that Ukraine apparently obstructed participation by Russian naval forces in said exercise.

"The foreign policy administration of the Ukrainian presidential staff tends to attribute such 'misunderstanding' on matters of future cooperation between Ukraine and NATO to the 'not quite appropriate wording of statements made by Ukrainian politicians' and an 'inadequate reaction to these statements by the press as well as by other countries' foreign policy departments.' If the latter are inclined to regard our position on the issue of relations with NATO as ambiguous and 'dubious,' as was announced to our ambassador to Moscow, then the Russian foreign policy department has a wrong perception of Ukraine's position. This cannot but arouse surprise because we have repeatedly declared our invariable position, including during meetings with the Russian state leadership."

All of the aforementioned would lead to the conclusion that Ukraine, indeed, does not intend to raise the question of joining NATO, if it was not for yet another representative of the Ukrainian president's staff, who told your NEZAVISIMAYA GAZETA correspondent on condition of anonymity: "Ukraine regards NATO as an important element of the modern European security architecture, which, first, simply cannot be ignored and, second, this element has shown its efficacy in matters of ensuring the security of the NATO member states.

"Indeed today Ukraine does not raise the question of NATO membership but it intends to expand its links with this organization and not only within the framework of the Partnership for Peace Program but also as part of other programs. Incidentally, in its time Russia also put forward a similar objective.

"At the same time I know for certain that the Ukrainian leadership does not rule out the possibility that a change in the geopolitical situation in the hypothetical future

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might lead to a change in our position on the issue of relations with NATO."

Ukraine: President Kuchma Favors Closer CIS Contacts

LD2607184596 Moscow INTERFAX in English 1712 GMT 26 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Leonid Kuchma attaches much significance to cooperation between Ukrainian, Belarussian, and Russian border regions.

"Thanks to coordinated activity by 17 regions in the three states, many economic and cultural ties have been restored and prerequisites have been created to invigorate this process, says a message of greeting from Kuchma, currently resting in the Crimea, to participants in the session of the Council of the Border regions of Belarus, Russia, and Ukraine, under way in Zaporozhyie.

"Priorities in interstate relations have been increasingly leaning toward regional level and broader direct contacts between the neighboring states," Kuchma stressed.

The Zaporozhyie session is discussing how to admit chiefs of the Mogilev region of Belarus to the Council and how to implement the earlier passed resolutions on environment protection and on the rational use of natural resources in the regions.

The meeting plans to discuss interaction between the regional executive branches, belonging to the Council for Social Insurance against Chernobyl Disaster Effects.

Ukraine: Kuchma Meets Uzbek President in Crimea

LD2707085296 Kiev Ukrayinske Radio First Program Network in Ukrainian 0400 GMT 27 Jul 96

[FBIS Translated Text] The Ukrainian president's press service has reported that the President of Uzbekistan Islam Karimov arrived in Crimea yesterday for a vacation at the invitation of [Ukrainian President] Leonid Kuchma. In the evening, the two heads of state held a working meeting to discuss a broad range of issues pertaining to Ukrainian-Uzbek relations, their development and deepening.

Ukraine: Reports of Arms Sales to South Asia Seen as Overblown

MK2707135996 Moscow KOMMERSANT-DAILY in Russian 26 Jul 96 pp 1, 4

[Report by Grigoriy Fedorchenko and Aleksandr Koretskiy: "Our Armor Is Strong, and Our KrAZ's Are Swift"]

[FBIS Translated Text] A few days ago one Russian news agency, and then some print publications, circulated a sensational report: Ukraine has concluded a contract with Pakistan (or, according to other sources, is practically ready to conclude it) for the delivery of 300 T-80 tanks for an aggregate sum of $650 million. Yet a check of this report made by KOMMERSANT-DAILY showed that, to all appearances, it is based on quite a different deal — for the delivery of Ukrainian KrAZ trucks, not tanks. And not to Pakistan, but to India.

The report of Kiev's "tank breakthrough" to the South Asian arms market was nothing short of a sensation. First, Islamabad is still under a rather tight blockade with regard to supplies to it of modern weapon systems from the United States and its allies (only China maintains close military and technical links with it). Second, in 1995 Kiev's actual receipts from arms export only slightly exceeded $20 million. And third, the volume of the supposed contracts — 300 tanks — is, if not a world record, then very close to it. The most interesting part, however, is that the information about the contract was apparently leaked by Pakistani Defense Minister Aftab Shaban Mirani, who is known for his peculiar attitude to such a delicate sphere of business as the arms trade. The fact is that the minister has repeatedly made openly provocative statements, the latest one made two weeks ago, announcing the refusal to buy Russian Su-27 multimission fighters instead of 18 U.S. F-16's, shipment of which the United States had put on hold. The minister did not specify who had offered Pakistan that equipment on behalf of Moscow or when. Even so, his statement could have provoked some difficulties in Russian-Indian military relations: Delhi, Moscow's main partner in the region, is Islamabad's main military rival.

But let us go back to the Ukrainian tanks. If Mirani's statement did not mention a specific model — the new T-80 tank, which is thus far not in series production in Ukraine — it could be assumed that what is being sold to Pakistan is some mothballed equipment. After all, there are more than enough Soviet tanks in Ukraine: In its time they were supplied in ample numbers to the Carpathian, Odessa, and Kiev military districts. The fact is, however, that even the newest of them is at least five years old. True, considering that the average service life

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of basic combat tank models is 20-25 years, this is, of course, a trifle.

Yet the main questions arise not over this, but that Ukraine's tank building facilities and financial capabilities objectively do not allow it to fulfill the contract that was announced by the Pakistani defense minister. The Malyshev plant, the largest tank-building facility in the former USSR, although it is comprised of a machine-building, diesel, engine, and tool shops and even has a number of subsidiaries, does not produce the requisite artillery and small-arms systems for the tanks. Ukraine produces none at all.

Moreover, in order to realize the ambitious "Pakistani project," Kiev — let alone the Kharkov plant — does not have the requisite working capital (an estimated $150 million will at least be needed to launch it). One indication of the catastrophic situation in the financial sphere is that last year the government promised to provide the Malyshev plant 4 trillion karbovanets (approximately $22 million) to restore the production of special equipment. Yet, according to our sources, the plant received only about half that sum. At the same time, according to some reports, in the last three years Kharkov has not produced a single tank: The provided funds, to all appearances, went to plant development projects. Now, after such a long break, experts believe that expenditures for the resumption of tank production could jack up the cost to a level that makes the project a money-losing proposition.

The prospects for such a large-scale project can be realistically assessed based on available information about a contract for the delivery of Ukrainian heavy trucks produced by the Kremenchug plant — KrAZ — to the Indian army. India's needs are estimated at 1,600 trucks. The conclusion of the contract is scheduled for the end of the current year. The costs of preparing the production of the KrAZ-5131 six-tonne, four-wheel drive truck with off-road capability are put at $300,000. Yet the Ukrainian Government is planning to attract foreign loans to bankroll even this project: The state treasury is quite empty. If everything goes according to plan, the production of a pilot shipment will begin in early 1997. The cost of one truck will be approximately $35,000, while the value of the whole contract will not exceed $60 million. The main thing, however, is that this contract, unlike the tank one, is quite feasible. Moreover, in 1995 the KrAZ plant already delivered 300 KrAZ-260 trucks to the Indian army.

So, thus far the tank contract between Kiev and Islamabad strongly recalls the well-known joke: Yes, he won, although not in cards but in roulette, and his name is not Rabinovich but Ivanov. But even talking theoretically about arms exports to Pakistan, it is important to remember such a political factor as the United States' attitude to military cooperation with a power that almost openly implements a military nuclear program. Any erroneous move in this direction is fraught with serious sanctions. Especially given that restrictions, even if limited, are still in force against Ukraine: It is still on the list of countries with which trade in arms and equipment by U.S. companies is limited by the State Department. It is an alarming signal that Ukraine was not on the list of lucky countries with respect to which (Georgia, Kazakhstan, Kirgizia, Moldavia, Turkmenistan, and Uzbekistan) these restrictions were lifted yesterday.

National Affairs

Ukraine: Reaction to 'Elements of State of Emergency' Cited

WS2607112596 Kiev KIYEVSKIYE VEDOMOSTI in Russian 22 Jul 96 p 3

[Report by Viktor Slyozko: "Do 'Elements of a State of Emergency' Violate the Constitution?"]

[FBIS Translated Text] In the beginning was the word. To be more precise, a phrase by National Security Council Chairman Volodymyr Horbulin after the attempt on the life of Prime Minister Lazarenko about a possible introduction of "elements of a state of emergency." Then there was the decision. Based on the results of the National Security Council session, the Council Board suggested that the president issue instructions to the government which should "include measures of an extraordinary nature."

Strange as it may seem, political parties and public organizations (not to mention the public itself) did not pay heed. Let us leave the public alone, but what about all the rest? They are perfectly aware that in line with the Basic Law, the president's motion on the introduction of a state of emergency in the entire state or its separate regions has to be approved by the Supreme Council's emergency session within two days after filing. The Constitution has no mention of any "elements."

Social democrats were perhaps the only party which "was woken up" by Horbulin's words.

According to INTERFAX-UKRAINA, the Social-Democratic Party leadership expressed its "concern over the attempt by certain forces from the presidential retinue to introduce elements of a state of emergency on Ukraine's territory."

KIYEVSKIYE VEDOMOSTI has consulted Oleksandr Lavrynovych, deputy chairman of the Supreme Council

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Commission for Issues of Legal Policy and Judicial-Legal Reform. Lavrynovych deemed Horbulin's words "jargonish" and added that they "did not bear any legal weight." Nevertheless, according to Lavrynovych, this does not justify the high-ranking official — who should be extremely selective in his words, even after extraordinary events such as an attempt on the prime minister's life take place. Oleksandr Lavrynovych categorically stated: "A state of emergency or its separate elements are out of the question."

Lavrynovych underscored: "Extraordinary measures are stipulated by the Constitution, by laws on power structures, by the law on fighting organized crime, and by 'economic' laws. Such measures are aimed at stepping up anticrime activities."

INTERFAX-UKRAINA has cited Deputy Head of the Presidential Administration Oleh Lytvyn, who said: "Public opinion should not interpret the National Security Council's decision as a 'witch hunt,' political persecution, or repression." He deemed the forming of paramilitary groups by certain parties as a "dangerous game". At the same time, he pointed out that the sole requirement voiced to political parties is the observance of laws. Perhaps this is the reason behind the lack of reaction on the part of parties. Meanwhile, the Ukrainian National Assembly-Ukrainian National Self Defense, whose registration certificate was recently revoked by the Ministry of Justice, has urgently convened a constituent congress....

Ukraine: Kuchma's Edict Envisages Reorganization of 20 Ministries

LD2707130996 Kiev UNIAN in Ukrainian 1235 GMT 27 Jul 96

[FBIS Translated Text] Kiev [no date as received] — Under an edict by Ukrainian President Leonid Kuchma, a Ministry for Emergency Situations has been established through the merger of the Ministry of Protection of the Population from the Consequences of the Accident at the Chernobyl Nuclear Power Station and the Civil Defense Headquarters of Ukraine, the president's administration has told UNIAN.

Under the edict, a Ministry of Family and Youth Affairs has been set up and the Ministry of Youth and Sport has been liquidated. Two committees under the Ukrainian president have also been liquidated.

A Ministry of Information of Ukraine has been set up to replace the Ministry of Press and Information and the UKRINFORM news agency.

The president's edict "On changes in the system of central bodies of executive power" envisages reorganization of about 20 ministries and departments. In connection with this, the Cabinet of Ministers of Ukraine must, within one month, bring its decisions into line with the president's edict and put forward proposals on introducing amendments to the edicts of the Ukrainian president.

Ukraine: Coal Ministry Warns Miners Against 'Destructive' Actions

LD2707200196 Kiev UT-1 Television Network in Ukrainian 1800 GMT 27 Jul 96

[No video available]

[FBIS Translated Text] Today we received a statement from the board of the Ministry of Coal Industry. It says, in particular:

In spite of tight circumstances, the government found a way to release by 25 July, over 64 trillion karbovantsi from the state budget for the development of the coal industry, which were mainly used to pay wages and clear wage arrears for previous months. A procedure has been developed to ensure regular payment of wages, which will become effective already in the third quarter.

Members of miners' collectives and trade unions, including alternative ones, are closely involved in the development of a policy to get the sector out of its difficult state and the implementation of its restructuring. Sober-minded miners' leaders, who are keen on constructive cooperation, are known for a sense of responsibility for concrete actions and measures, as well as their effort to seek a unifying factor, one that will stabilize the situation and relieve tension, and not otherwise.

Unfortunately, the extraordinary, resolute steps taken by the government and the board of the Ministry of Coal Industry, including personnel changes, exposure of abuse and legal action against those responsible, including criminal prosecution, are meeting with opposition on the part of conservative-minded leaders and destructive forces of various kinds. The leaders of the Donetsk Strike Committee and the Independent Union of Miners of Ukraine, seeking to present their schismatic actions as the position of the miners en masse, stand for constant confrontation with the government.

They have chosen strikes as the only reaction to the effort to overcome objective difficulties in the development of the sector, which can lead to disastrous consequences and poverty for miners and their families and create dangerous social tension in society, the statement says.

The board of the Ministry of Coal Industry resolutely condemns the actions of destructive forces and urges all those working in the sector to show their understanding

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of the difficulties accompanying the period of economic reforms and the government's package of measures designed to resolve burning problems, and calls for a concentration of effort on productive work. Only through social accord and mutual support is it possible to overcome critical phenomena and raise the coal industry to its proper place in the Ukrainian economy.

Ukraine: 'Staff' Blamed for Khmelnitskaya Nuclear Accident

MM2607151696 Moscow Russian Public Television First Channel Network in Russian 0500 GMT 26 Jul 96

[From the "Novosti" newscast: Video report by Natalya Kondratyuk, identified by caption; figures in brackets denote broadcast time in GMT in hours, minutes, and seconds]

[FBIS Translated Text] [050407] [Announcer to camera] As reported earlier, an accident [avariya] has occurred at the Khmelnitskaya nuclear power station. According to a preliminary estimate it falls into Category One of the international scale. Localized contamination ranging between 60 and 100 microroentgens per hour has been registered. The accident occurred in the station's number one power unit. Here are the details.

[050426] [Kondratyuk over video of exterior of power station] Official sources blame the staff for the accident on the power unit number one of the Khmelnitskaya nuclear power station.

The number one power unit has been undergoing a scheduled capital overhaul since 20 July. During hydraulic testing of the first reactor circuit during the evening of 24 July, water from the circuit leaked into the nitrogen supply line and from there spread to the nitrogen-oxygen station. After the tests a man was killed. It is not known yet whether the two incidents are connected. However, according to the State Atomic Energy Committee, workers were not exposed to radiation. Background radiation around the station has not changed, since the contamination was localized and was rapidly eliminated.

The incident has not caused any special stir, perhaps because reports of accidents [avarii] at Ukrainian nuclear power stations, and Khmelnitskaya station in particular, are a frequent occurrence. As a rule they are rated Zero Category, which means that there is no danger to life. Not yet.... Natalya Kondratyuk reporting for Russian Public Television from Kiev. [050523] [video shows exterior, interior of power station, workers working on pipes, more shots of station exterior, fire engine and truck]

Ukraine: Details on Dnepropetrovsk Missile Destruction Station

LD2707221296 Kiev UNIAR in Ukrainian 1830 GMT 27 Jul 96

[FBIS Translated Excerpt] Dnepropetrovsk — One hundred and twenty-three intercontinental ballistic missiles SS-19, currently deployed in Ukraine, will be destroyed in the next few years at a special station built at the Pivdenne design bureau of the Pivdenmash production association. [passage omitted]

Pivdenmash Director General Yuriy Alekseyev told UNIAR that after the 123 existing SS-19 missiles are neutralized, the Dnepropetrovsk station itself will be destroyed, with the help of funding from the U.S. Department of Defense. Stanislav Konyukhov, the Pivdenne bureau chief designer, ruled out the possibility of using the station to destroy missiles deployed in Russia and Kazakhstan, as the method to be employed was only suitable for the Ukrainian SS-19 ICBMs. "Liquid-fuelled SS-19 missiles are the lightest, and their neutralization requires special know-how. To rebuild the station for the destruction of heavy missiles from Russia and Kazakhstan will be a complex and expensive business," he said.

A major problem involved with the neutralization of missiles from which warheads have been removed is the danger of highly toxic heptyl fuel or amyl oxidant residue being released into the environment. Metallic missile cisterns, saturated with heptyl and amyl, are to be cleaned, using high-temperature steam that helps remove heptyl and amyl residue. The excess water, contaminated in the process, will be burned or chemically treated at the station with due environmental precautions taken. Precious metals from the dismantled missiles and transport containers, including aluminum, stainless steel, titanium, gold, silver, and platinum, will be recycled.

Fuel is kept in 90 special tanks at plant No. 63 in Ivano-Frankovsk. It is planned to use this fuel in Ukrainian launching vehicles. The U.S. Government has signed a contract with a Ukrainian company to enlarge the heptyl storage facility in Shevchenkovo [place-name as received], where the 90 tanks had been installed. The enlargement of the facility will enable the Ukrainian Government to store safely approximately 3,500 tonnes of heptyl removed from 130 SS-19 missiles.

Missiles withdrawn from their silos are partially neutralized at the missile base prior to their shipment to the Mikhailenki [place-name as received] depot for temporary storage or to Dnepropetrovsk for neutralization and dismantling.

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The Ukrainian Ministry of Defense had put forward proposals to the U.S. Defense Department on the possible upgrading of SS-24 solid-fuel ICBMs. The work will involve adding floors. Although U.S. experts admitted that the SS-24 missiles represented a considerable engineering achievement and therefore, it may not be appropriate to destroy them, the U.S. Government said it did not have the funds for such upgrading. Ukraine cannot fund such a project, either, and the fate of SS-24 missiles remains unclear. [passage omitted]

Ukraine: Gas Pipeline Said in 'Critical State of Disrepair'

AU2907095096 Kiev URYADOVYY KURYER in Ukrainian 25 Jul 96 p 12

[Report by Inna Kosyanchuk: "Not Yet an Accident, but...."]

[FBIS Translated Text] In seven rayons of Kherson Oblast, the towns of Kakhovka and Nova Kakhovka, and in the Crimea the gas supply has been completely stopped due to the critical state of disrepair of the gas pipeline between Kherson and the Crimean Republic. According to specialists, the pipeline has been used for 25 years without major repairs.

Emergency repair operations started immediately, but the available reserve of materials and funds ran out in the first days of work. It had been envisaged by the initial estimate that the repairs would cost 100 billion karbovantsi [K]. However, further inspection revealed more stretches of the pipeline with damaged insulation — 110 km altogether. The repairs may require K3 trillion. Clearly, neither Ukrhazprom [Ukrainian Gas Industry Company] nor the oblast budget have such funds. The Oblast State Administration has turned to the Ukrainian president with a request to help solve the financial problem.

The population, which has does not have electric stoves, is compelled to cook food on bonfires. Enterprises that normally worked on the blue fuel suspended their work. There is a real danger that the bread provision of residents of the left bank of Kherson Oblast will be disrupted. Milk, vegetable, and fruit products cannot be processed. The losses are becoming huge.

The oblast state administration has developed special measures to provide people with necessary foodstuffs, and it maintains continuous control over the course of the repairs and restoration operations. However, it is most unlikely that the problem can be solved without state assistance.

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Belarus

Belarus: Russian Deputy Ilyukhin Says CIA Preparing 'Provocations'

LD2607162396 Moscow INTERFAX in English 1121 GMT 25 Jul 96

[FBIS Transcribed Text] MOSCOW, July 25 (Interfax) — Chairman of the Russian State Duma Security Committee Viktor Ilyukhin of the Communist Party faction has said that the CIA is preparing provocations in Belarus.

"A group of 18 high-ranking CIA officers, led by Colonel Paul Gaybort, have been in Warsaw since June 10 to prepare subversive acts against Belarus," he told a press conference in Moscow on Thursday, citing his own sources.

This group, said Ilyukhin, is planning to establish strike committees similar to the Polish Solidarity movement in the Belarusian capital of Minsk, and also in Vitebsk, Mogilyov and Orsha. These committees, he said, "are to raise the first wave of political and economic strikes in all of the republic's major cities" at the beginning of August.

At the beginning of August, he went on to say, the right-wing radical Belarusian Popular Front intends to organize a demonstration in Minsk involving from 10,000 to 30,000 people.

Ilyukhin also alleged that according to his sources, the demonstration of protest is to involve at least 200 gunmen from the Ukrainian radical national organization UNA-UNSO to offer resistance to the Belarusian police.

In accordance with the CIA-developed plan, said Ilyukhin, during mass [as received] the disturbances "the assassination of one or two leaders of the national movement of Belarus is planned to discredit (Belarusian) President (Alyaksandr) Lukashenka."

A sum of $254,000 has been allocated for the provocations, he said.

The main goal of this action is "to initiate an impeachment procedure against President Lukashenka on August 15-18."

Belarus: Lukashenka Maintains Silence on Coup Allegations

LD2607164796 Moscow ITAR-TASS World Service in Russian 1536 GMT 26 Jul 96

[By ITAR-TASS correspondent Andrey Fomin]

[FBIS Translated Text] MINSK, 26 Jul — The attitude of Belarusian President Alyaksandr Lukashenka to yesterday's coup allegations by Viktor Ilyukhin, chairman of the State Duma's Committee on Security, is still unknown. Ilyukhin claimed yesterday that U.S. special services were planning to provoke mass protest demonstrations in Belarus, leading to the overthrow of the head of state.

During his address to today's festive meeting devoted to Belarus' upcoming independence anniversary, Alyaksandr Lukashenka did not say a single word about the Russian deputy's claims. A few hours earlier the president's entourage refused to allow Russian journalists access to A. Lukashenka when he returned to Minsk airport from a visit to Turkey. The journalists had been hoping to get clarification of the situation brought about by V. Ilyukhin's statement.

Belarus: Official 'Outraged' by Russian MP's CIA Allegations

LD2907090796 Moscow INTERFAX in English 0837 GMT 29 Jul 96

[FBIS Transcribed Text] MINSK, July 29 (Interfax-West) — The chief of staff of the Belarusian presidential administration, Mikhail Myasnikovich, said he was outraged by assertions by Communist MP and Russian Duma Security Committee Chairman Viktor Ilyukhin that the CIA and the Belarusian opposition were conspiring to destabilize the situation in the republic and remove President Alyaksandr Lukashenka from power.

Speaking on national television on Sunday, Myasnikovich said the Belarusian leadership had nothing to do with Ilyukhin's statement.

If what Ilyukhin said is true, he should have made this known to the Belarusian government and competent bodies, he added.

Myasnikovich did not rule out the possibility that Ilyukhin's statement was "the work of representatives of the internal and external opposition who cannot put up with the fact that life is going back to normal in the republic and that the state is gradually overcoming economic difficulties."

The president is completing a program of economic development for the second half of 1996 and for 1997, he said.

Myasnikovich described as "hardly attractive" a proposal made by the leaders of seven leading Belarusian opposition parties, including the Belarusian Popular Front, the Communist Party, the United Civil Party and others, to hold a round-table discussion with the participation of Lukashenka.

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"We have no business to discuss with these parties because they have done nothing for the people," he said.

Belarus: Authorities Not Disturbed by Ilyukhin Report of CIA Plot

LD2607110996 Moscow ITAR-TASS in English 1051 GMT 26 Jul 96

[By Andrey Fomin]

[FBIS Transcribed Text] MINSK, July 26 (Itar-Tass) — Belarusian authorities have reacted in a calm and reserved way to the statement of Chairman of the Duma Committee for Security Viktor Ilyukhin about a series of provocations, allegedly prepared by the CIA and directed against Belarusian President Alyaksandr Lukashenka. Belarusian mass media did not highlight the issue. No official response came from the state bodies of the country. Lukashenka is now staying in Turkey on an official visit.

"We regard Ilyukhin's report as the opinion of one of the deputies to the State Duma, and nothing else," Mikhail Podgainy, head of the Main Department for Public and Political Information under the Belarusian President's Administration, told Tass. "Belarus maintains and will continue to maintain good relations both with the East and the West. So far as the domestic political situation is concerned, it is normal in the republic. The President's Administration seeks to establish mutual understanding with all political forces, both of right-wing and left-wing orientation, within the framework of actions, which are beneficial for Belarus."

Viktor Ilyukhin said at a press conference on Thursday that an operation was prepared in Warsaw under the supervision of CIA officers, whose purpose is to "compromise and then overthrow President Alyaksandr Lukashenka of Belarus." Responding to questions of journalists about the sources of that information, Ilyukhin said that he had received it "from secret services and diplomats." According to Ilyukhin, "a group of 18 high-ranking CIA officers, led by Paul Heyborth, has been staying in Warsaw since June 10 for preparing special subversive operations in Belarus."

"It is no secret for the Belarus State Security Committee that CIA officers are staying in the neighboring country in accordance with bilateral agreements on cooperation of secret services. However, the State Security Committee has no information about their activities, directed against Belarus," a spokesman for the Information and Public Relations Department of the State Security Committee told Tass today.

It is true that the situation in the republic is complicated, but "the Belarusian State Security Committee controls the situation and is not going to overestimate its seriousness," a senior official of the Committee said in a Tass interview.

Chairman of the State Security Committee of Belarus Major General Viktor Matskevich refused to comment on Ilyukhin's statement.

Officials from the Information Department believe that the statement perhaps became the result of summing up and analysing a number of actions directed against law and order, which took place in Belarus recently and which were provoked by the opposition, specifically, by the Belarusian Popular Front and other destructive forces.

Belarus: Communists Criticize Ilyukhin Statements

LD2607145196 Moscow Russian Television Network in Russian 1300 GMT 26 Jul 96

[FBIS Translated Text] The scandalous statements made by Viktor Ilyukhin about subversive operations being prepared by the CIA on the territory of Belarus have caused a stormy reaction in the republic. Syargey Kalyakin, the leader of the Belarusian communists, says that Ilyukhin was simply set up and this was done without consultation with the leadership of the Communist Party of the Russian Federation.

[Begin Kalyakin recording] If this is so, many heads of departments in charge of the republic's security will have to be dismissed. I think this statement was prompted by people who are behind President Lukashnka. [end recording]

Leaders of the seven largest political parties in Belarus state that Ilyikhin was simply used to stir up political passions in Belarus. Our party, Stanislaw Bagdankevich said, is indeed prepared to initiate impeachment procedures against the president. However, Alyaksandr Lukashenka must be dismissed from power by legitimate means. Stanislaw Bagdankevich has appealed to the people of Russia to morally support the Belarusians in their attempts to preserve the law and the constitutional system.

Uladzimir Matskevich, chairman of the Belarus State Security Committee, has refrained from commenting on Ilyukhin's sensational statement, saying that he does not know the sources of Ilyukhin's information. At the same time, it is not a secret for the Belarus KGB that CIA agents are present in Poland. The Belarus State Security Committee has no information on their staging the action against Belarus mentioned by Ilyukhin.

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Belarus: KGB Says CIA Officers in Poland To Develop Cooperation

LD2607153196 Moscow INTERFAX in English 1514 GMT 26 Jul 96

[FBIS Transcribed Text] MINSK, July 26 (Interfax-West) — The Belarusian State Security Committee (KGB) knows of the presence of U.S. CIA officers in Poland.

These officers are in Poland "to develop bilateral cooperation between the special services of the two states," Gennadiy Senyukov, head of the Belarusian KGB press service, has said in comment on Communist Russian MP Viktor Ilyukhin's statement that the CIA is hatching up a plot against Belarus and President Alyaksandr Lukashenka.

"Belarusian KGB Chairman Vladimir Matskevich has declined to comment on the Russian deputy's sensational statement since he does not know the source from which the member of parliament picked the information he aired," Senyukov said.

He said Ilyukhin's disclosure "may be the result of summing up a number of actions provoked against the public in Belarus by representatives of the political opposition, represented by the Belarusian Popular Front and foreign destructive forces such as the (hardline) Ukrainian UNA-UNSO [Ukrainian National Assembly-Ukrainian National Self-Defense]."

Although "the political situation in the republic is not simple at all, the Belarusian KGB controls it," the press service chief said, adding that the KGB "is not inclined to dramatize the situation."

At a news conference in Moscow yesterday, Ilyukhin reported "the presence of 18 senior CIA officers in Warsaw to prepare special subversive operations against Belarus."

Ilyukhin said "this special group is going to set up Polish Solidarity-type strike committees in Minsk, Vitebsk, and some other Belarusian cities to spark a wave of strikes across the republic and provoke bloodshed to first discredit and then impeach President Lukashenka."

Belarus: Lukashenka Accused of Pushing Belarus to Totalitarian Rule

LD2607180896 Moscow INTERFAX in English 1712 GMT 26 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The leaders of seven big parties issued a statement in Minsk on Friday giving a negative response to President Alyaksandr Lukashenka's initiative to call a nationwide referendum in autumn to adopt a new basic law.

The poll is intended to vest one man with unlimited powers for years to come, says the statement carried by ultra-rightist Svoboda newspaper. Parliament speaker and leader of the Agrarian Party Semyon Sharetskiy is one of the seven signatories.

The statement warns against the danger of Belarus being turned into a totalitarian state. The authors of the statement expressed concern that the new constitution was drawn up by an unspecified group of people behind the back of the Supreme Soviet, the country's parliament, which, they say, is in breach of "the existing imperfect system of laws."

They quoted official counts as saying Industrial and farm output dived by 7% and 13% each in the two years of Lukashenka's rule. Housing construction is grounded, factories are in need of refurbishment and the country's internal and external debt has increased.

At the same time, opposition leaders admit that part of the blame for chaotic law-making lies with the previous and incumbent parliaments which failed to create an effective counterweight to the executive.

The continuance of Belarussian sovereignty and the build-up of a democratic, caring and law-governed state as envisaged by the constitution remains the main priority, they say.

The opposition leaders called for a multi-party round table conference to discuss the internal situation and work out approaches, which can help towards a social accord and warrant the observance of the constitution and Belarussian laws. The forum is also to involve the Belarussian president and his prime minister as well as heads of the Supreme and Constitutional Courts.

Belarus: Presidential Aide Says 'Some Forces' Challenge Stability

LD2607165896 Moscow INTERFAX in English 1626 GMT 26 Jul 96

[FBIS Transcribed Text] MINSK, July 26 (Interfax-West) — There are forces in Belarus and outside the country that are not satisfied with social stability in Belarus and the policy pursued by Belarussian President Alyaksandr Lukashenka, Vladimir Zametalin, Belarussian deputy presidential chief of staff, told Interfax on Friday.

Zametalin thus commented on the statement by Communist MP Viktor Ilyukhin, chairman of the Russian State Duma Security Committee, alleging that the U.S.

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CIA was preparing a "provocation" to unseat Belarussian President Lukashenka.

"The destructive forces' aspirations" were displayed "during the events in March, April and May 1996" when large-scale unauthorized rallies, some of which "resulted in massive disorder," were launched in the Belarussian capital of Minsk, Zametalin said.

"Belarussian nationalists looking for allies abroad are seriously tempted to do their best in order to transform Belarus into a hotbed of confrontation and an international laboratory for political experiments," he said.

"The long-lasting four-month emigration of Belarussian Popular Front leaders Zenon Poznyak and Sergey Naumchik, their trips abroad and the shameless blackening of the Belarussian people are aimed at consolidating all possible forces for a tough confrontation with a sovereign country and its president," Zametalin said.

"To achieve these goals, the national extremists and national democrats, liberals, communists and national fascists, former and present MPs, bankers and ministers who were caught red-handed while stealing and sacked, as well as former and present parliamentary chairmen Stanislav Shushkevich and Semyon Sharetskiy have united themselves into a single one," he said.

"The mendacious talk about the alleged establishment of some dictatorship in Belarus is a disguise for the banal desire to live well at somebody else's expenses, govern everything and everybody, pretend to take care of the people, be responsible for nothing and guide the country toward 'who knows where,'" Zametalin said.

"If somebody is waiting for shocks in Belarus or preparing them, this does not mean they will take place. The Belarussian people have all the rights and opportunities to live in peace and calm," Zametalin said.

Belarus: Opposition Stages Anti-Presidential Rally in Minsk

LD2707095996 Moscow INTERFAX in English 0944 GMT 27 Jul 96

[FBIS Transcribed Text] MINSK, July 27 (Interfax-West) — Belarusian right-wing parties and movements, led by the opposition Belarusian Popular Front BNF, staged a demonstration in Minsk's down town today.

The procession, an expected rally and an entertainment show were timed for National Holiday, celebrated in Belarus on July 27.

By law enforcement bodies' count, some 5000 people have taken part in the protest action, led by BNF and right wing parties' chiefs, including Georgiy Tarazevich, ex-speaker of Soviet Belarus parliament, Stanislav Bogdankevich, former National Bank chairman, Yuriy Zakharenko, former Belarusian interior minister, and Gennady Karpenko, current Belarusian parliament speaker [name and title as received].

Chanting anti-presidential slogans, the demonstrators proceeded to the capital's Palace of Sports for a rally to denounce the policy of President Alyaksandr Lukashenka, accused of undermining the sovereignty and independence of Belarus by heading for integration with Russia.

Right-wing activists arrived for the protest actions in the capital from Soligorsk, Orsha, Vitebsk, and other industrial centers.

A group of marchers, introduced as Soligorsk miners, has carried a symbolic coffin with the sign "Dictatorship" through Minsk streets to a special place for demonstrative burial.

Belarus: Lukashenka Addresses Nation on Independence Day

WS2907082796 Minsk BELAPAN in English 0702 GMT 29 Jul 96

[FBIS Transcribed Text] Minsk, 27 July — President Alyaksandr Lukashenka took part in a grand rally which was held in the Concert Hall of the Belarusian State Philharmonic Society on July 26, the eve of the Independence Day of Belarus. In his speech, which was given in the Belarusian language, he in particular said, "Today we build a self-sufficient, sovereign and independent Belarusian state, preserving the valuable link of times, and piously revere our own national culture. At the same time we respect the feeling for fraternal friendship with the neighboring peoples." The formation of the Belarusian-Russian Community, according to Alyaksandr Lukashenka, "matured in the depths of the people's self-determination as a natural reaction to the demands of the times, as a display of people's protest against the artificial disintegration of the great power. Through our Community, we will strengthen the sovereignty and independence of the Belarusian state without losing state self-sufficiency and freedom," the President said. Alyaksandr Lukashenka also pointed out that "the independence and sovereignty of the Belarusian state is the general achievement of the whole population of the Republic. Attempts to assume the right to be a greater standard-bearer than the whole people is an unavailing and harmful affair. This leads only to confrontation and animosity in society." The President stressed that Belarus is experiencing hard times, but "our people are moving farther and farther away from the hardest days, coming nearer to economic stabilization and a gradual rise in the level of public, political, social and cultural life. This time has come."

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Tajikistan

Tajikistan: Russian Border Guards Warn of Guerrillas in Afghanistan

LD2807152496 Moscow INTERFAX in English 1419 GMT 28 Jul 96

[FBIS Transcribed Text] DUSHANBE, July 28 (Interfax) - The Russian border guard service said on Sunday about 2,000 Tajik opposition guerrillas were concentrated in an area in Afghanistan bordering on Tajikistan's Gorno-Badakhshan autonomous region.

A spokesman for a Russian border guard force in Tajikistan told Interfax the guerrillas were armed with grenade launchers and portable antiaircraft guns.

He said the force command feared the guerrillas would make assaults on Russian guards posted along the Tajik-Afghan border and had therefore tightened control of the border. The personnel of guard posts and patrol details had been doubled in size.

The spokesman said the situation on the Kalaikhum and Khorog stretches of the border remained tense. Practically every day guerrilla groups of up to 10 men tried to cross the border into Tajikistan, seeking to penetrate, via mountain paths, into Tavil-Dara district, where opposition forces were fighting government troops.

The border guards were trying to cut short such attempts, the spokesman said.

Tajikistan: Support for Russian Border Guards To Be Increased

LD2907103496 Moscow ITAR-TASS World Service in Russian 0745 GMT 29 Jul 96

[FBIS Translated Text] Dushanbe, 29 Jul, ITAR-TASS — Lieutenant General Viktor Zavarzin, commander of the combined CIS peacekeeping forces in Tajikistan decided today on additional measures to increase the in-depth support for Russian border guards on the section located adjacent to the armed Tajik opposition and possible directions of their [Tajik opposition's] incursions into Tajik territory. The press center of the headquarters of the combined CIS peacekeeping forces told an ITAR-TASS correspondent about this today.

The press center stressed that in the past few years CIS peacekeeping units in Tajikistan have been carrying out tasks to strengthen the protection of the Tajik-Afghan border but for the first time the situation that has arisen necessitates additional forces and resources.

Tajikistan: ICRC Statement Urges Implementation of POW Exchanges

LD2707122996 Dushanbe Radio Tajikistan Network in Tajik 0600 GMT 27 Jul 96

[FBIS Translated Text] The International Committee of the Red Cross [ICRC] has issued a statement which states: The ICRC expresses its appreciation for the agreement signed in Ashgabat [19 July] by the government of Tajikistan and the United Tajik Opposition, especially for the protocol on taking humanitarian measures to exchange military prisoners. The ICRC at the same time records that 26 prisoners were to be released from captivity by the opposition, as stipulated by the agreement but, unfortunately, they were not released on the day stipulated. Under the agreement signed by the two sides, and in accordance with their competence in implementing this humanitarian measure, the ICRC will be a neutral intermediary. The ICRC has sent a letter to both sides regarding the details of executing this operation.

The ICRC representatives have been ready to go to Tavil-Dara District since yesterday morning [26 July]. Unfortunately, they could not go to Tavil-Dara because security was not guaranteed by the two sides. The ICRC assures both sides of its readiness to carry out this humanitarian task and states that, according to the protocol, it will take part as a neutral intermediary in freeing military prisoners and detainees in the future.

Tajikistan: Government Pledges To Help UN Observers

LD2707141796 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 27 Jul 96

[FBIS Translated Text] As is known, U.S. State Department representative Nicholas Burns recently circulated a statement in connection with the signing of the cease-fire and POW exchange documents in Ashgabat. The statement says that the United States welcomes the signing of the documents with the help of Dietrich Merrem, the UN secretary general's special envoy to Tajikistan, which should help stop military operations in Tajikistan.

Commenting on the statement, Zafar Saidov, the spokesman for the president of the Republic of Tajikistan, announced in his turn that the government side shared the view that UN military observers must have access to this area [Tavil-Dara] if they are to monitor effectively the observance of the cease-fire and POW exchange agreements.

Saidov emphasized that the issue of access for the UN military observers to the area of the clashes in Tavil-Dara district [Pamir foothills] will be decided positively as far as it depends on the government side.

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Incidentally, the government side is helping the UN military observers in every way to implement their mission, Merrem, the head of the UN observer mission in Tajikistan, said.

Tajikistan: UN Envoy Comments on Cease-Fire Violations

LD2707141896 Dushanbe KHOVAR in Russian 0700 GMT 26 Jul 96

["Excerpts" of news conference given by UN Tajik Envoy Dietrich Merrem on 25 July in Dushanbe]

[FBIS Translated Text] Dushanbe, 25 July (KHOVAR) — "Both sides must understand that they are responsible for the well-being of their people and that violations of the cease-fire agreement and the Tehran Agreement which they themselves signed cast doubt on the efforts and intentions of which they speak," warned Dietrich Merrem, special envoy of the UN secretary-general in Tajikistan at the end of his news conference here today [25 July].

However, as was clear from the information the special envoy presented to journalists, there is a long way to go to achieve the cease-fire and fulfilment of the requirements of the documents signed [to cease fire and exchange prisoners of war, as agreed at government-opposition talks which ended 22 July] in Ashgabat. Judging by the circumstantial evidence available to the UN military observers in Tavil-Dara, exchanges of fire have not ceased: On the night of 24/25 July armed opposition formations fired on a police post and, according to other sources, a government building in Komsomolabad. There is no information as to losses on either side. Earlier, on 21 July, there was a clash between interior ministry troops and two opposition detachments in Magmurod village 12 km east of Dushanbe. As a result, the government side lost two people and the opposition nine.

In reporting these facts, Dietrich Merrem said he does not yet have the final conclusions about them from the UN military observers. This applies to Tavil-Dara in particular, which the military observers have yet to reach. All four [military observer] groups, moving along three routes from Kalai-Khumb, Komsomolabad, and Khovaling towards Tavil-Dara, were stopped en route by government road blocks. Dietrich Merrem and the military observers held two meetings yesterday, 24 July, with the deputy heads of the defence, interior, and security ministries, with the active cooperation of Foreign Minister Talbak Nazarov, at which the representatives of the coercive structures [defence, interior and security ministries] said all military observer groups would receive all necessary cooperation and that all misunderstandings had been cleared up. According to Dietrich Merrem's information, the groups were continuing to move towards Tavil-Dara on 25 July, and were being met by liaison officers from the government forces. He thinks that in general neither side managed to tell the heads of their armed subunits in Tavil-Dara District about the agreements reached in Ashgabat in time.

In reply to questions from journalists the special envoy emphasized that any exchange of fire or effort by the sides to broaden the sphere of their military presence in the various areas they held before 1200 on 20 July, that is, the moment at which the Ashgabat [cease-fire] Declaration came into force, will be seen as a violation of it [cease-fire declaration] not only by the UN military observers in Tajikistan but also by the [UN] Security Council, which is keenly following the course of events.

Tajikistan: Defense Ministry Issues Warning on Cease-Fire

LD2707110396 Moscow INTERFAX in English 1052 GMT 27 Jul 96

[FBIS Transcribed Text] DUSHANBE, July 27 (Interfax) — The Tajik Defense Ministry has warned the Tajik opposition that it has no intention of continuing to implement the cease-fire agreements with the opposition reached in the Turkmen capital of Ashgabat in a unilateral fashion.

The Tajik Defense Ministry has strictly respected the Ashgabat agreements, the ministry said in a statement issued on Saturday and submitted for consideration by the Tajik foreign minister and the head of the U.N. mission.

However, the Tajik Defense Ministry has to say that the Tajik opposition's armed formations again violated clauses of the Ashgabat agreements, the statement reads.

In particular, the Tajik opposition's armed formations fired upon Tajik government troops in the Tavildara district in the morning on July 23, the statement says.

Tajik opposition militants launched several attacks on settlements near Tavildara on July 25, killing two Tajik government troops and wounding another five government troops, the statement says.

Nevertheless, Tajik government troops have remained on the positions fixed in the Ashgabat accords and hope that the conflict will be settled peacefully, the statement reads.

However, the Tajik Defense Ministry said it "retains the right to take adequate measures if the opposition's armed formations fail to bring an end to provocations."

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"Government troops have necessary forces and means to do this," the Tajik Defense Ministry said in the statement.

Tajikistan: Prime Minister Reports on Economic Situation

LD2707151096 Dushanbe Radio Tajikistan Network in Russian 0400 GMt 26 Jul 96

[FBIS Translated Excerpt] A telephone hook-up meeting chaired by President Emomali Rakhmanov of the Republic of Tajikistan was held yesterday by the country's government. [passage omitted]

And now listen to what Prime Minister Yahyo Azimov said:

[Begin Azimov recording] Dear Emomali Sharipovich [Rakhmanov], esteemed colleagues: The results of the first six months of this year and reports given at expanded-format meetings of boards of ministries and departments indicate that despite some successes, some macroeconomic stabilization, we have failed to halt the drop in production over the recent period and to surmount economic crises in the republic. Over the past six-month period, gross output was 80.1 percent of the volume for the previous year, the volume of industrial production - 75.1 percent, of consumer goods production - 45.7 percent, of freight turnover - 77.5 percent, of meat production - 92.0 percent, milk - 60.0 percent, eggs - (?70.2) percent.

The inflation rate in the consumer sector for the first six months of this year was 33.70 percent, the average monthly rate being about six percent. As a result of strict monetary and credit policy, we managed to hold the rate of the national currency within the 208-300 [Tajik] ruble limit against the dollar. In the first six months, budget revenue amounted to 18.1 billion [Tajik] rubles, including tax earnings - 14.5 billion [Tajik] rubles.

At the same time, the tendency not to observe tax laws is continuing. About 80 percent of enterprises inspected were found to have violated tax legislation. [passage omitted]

The budget debt to subsidiary organizations amounts to over 6 billion rubles and includes wages - 2.5 billion rubles and compensation payments - 1.5 billion rubles.

The government believes that only [words indistinct] the reform process and economic transformation through dynamic transition to ownership of all forms can produce the required [word indistinct] economic growth and improve the population's standard of living. [passage omitted]

The situation in the social sphere is still very difficult. The departure of skilled cadres because of falling living standards for workers continues. Thanks to government measures to increase wages to budget subsidiary organizations, the situation here is no longer as serious. The proportion has decreased. But the average wage in the nonproduction sector remains much below that in the production sphere. In the first six months, only 47.1 percent of the planned sum was allocated to the social sphere from the budget. [passage indistinct] [end recording]

Uzbekistan

Uzbekistan: U.S.-Uzbek Defense Conversion Cooperation Blossoms

LD2707180496 Tashkent BUSINESS PARTNER in Uzbek 25 Jul 96 p 5

[FBIS Translated Text] Business cooperation between Uzbekistan and the United States in carrying out the conversion of Uzbek enterprises began in 1995, that is, after the visit by U.S. Secretary of Defense William Perry. It was then that this matter was agreed in principle. The main details of the future task were defined during the visit to the United States by Uzbek Defense Minister Rustam Ahmedov.

The Uzbek side submitted a number of projects to American entrepreneurs. A seminar took place in Tashkent in December 1995. Uzbek entrepreneurs and representatives from 11 major U.S. firms and companies took part in the seminar. The American side proposed investing in a number of major projects.

The Allied Signal Aerospace company [as published] expressed the willingness to participate in setting up, on the basis of the Tashkent Chkalov aviation production association, a joint venture producing aircraft components, using American avionics.

Two projects were examined to set up joint ventures — one on the basis of the Vostok scientific production association to assemble computer-aided manufacturing control systems, and the other on the basis of the Algorithm production association to produce daylight and luminescent lamps. There was discussion of projects to create — on the basis of the scientific research institute for instrument engineering — a comprehensive telecommunications information system and a complex for receiving information from a space probe satellite, reading it and sending it out. A project was also discussed for assigning a new specialization to the Chirchik liquid acid plant enabling it to produce liquefied natural gas. It was also planned to produce consumer goods, which is as important as those projects.

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This plan was endorsed recently — in May this year — during the visit by Barry Carter, U.S. deputy under secretary of export administration, of the Department of Commerce. During this visit, the joint committee for the conversion of Uzbek defense enterprises held a meeting, and a memorandum on its regulations was signed.

The Overseas Private Investment Corporation (OPIC) under the U.S. Government approved of the start of cooperation between Uzbekistan and the United States. During a visit by a U.S. Government delegation to Uzbekistan in December last year, OPIC Vice President Daniel Riordan said that the corporation will allocate $500 million to support the scheme and that it will also attract private investments to implement it.

The OPIC organized presentations of the republic's investment prospects, while the president of the Republic of Uzbekistan was visiting the United States. U.S. business circles were invited to the meeting with the president of our republic and, in the opinion of OPIC officials, this meeting will be a major factor in attracting American investment to Uzbekistan.

Uzbekistan: Prosecutor Questions Actions in Russian Barter Deals

LD2907115696 Tashkent ISHONCH in Uzbek 23 Jul 96 p 3

[Article by Tohir Rajabov, Syrdarya Region senior prosecutor's office official: "Carelessness or Illiteracy?"]

[FBIS Translated Excerpt] The legality of export-import operations carried out last year by trade and purchase procurement associations in Syrdarya Region and the state of accounting documents based on agreements signed have been examined.

As it became clear, the region's trade and purchase associations signed a total of 40 contracts with CIS countries to exchange goods on a reciprocal basis last year. The agreements were mainly signed with various Russian procurement and trade organizations, primarily with the aim of exporting various agricultural products and in return importing various kinds of consumer goods. In accordance with the agreements, onions, melons and watermelons, apples, tomatoes, and other agricultural goods worth 17 million soms were exported from the republic.

However, there were only three cases in which funds worth 1,465,000 soms were transferred before the goods had been sent. Unfortunately, very many goods have not been supplied at all [from Russia]. This accounts for about 10.3 million soms.

In the course of the inspection, managers of the aforementioned procurement and purchase organizations made an effort to supply various consumer goods worth a further 2,139,000 soms. [passage omitted]

Procurement organizations in Bayaut, Khavas, Syrdarya, and Mirzaabad districts have also imported goods in this way.

According to the final results, goods worth a total of 7,611,000 soms were not delivered to the region from abroad as of 22 April this year. This same situation could be observed in particular in Sharaf Rashidov, Mekhnatabad, Gulistan, and Bayaut districts.

It was revealed during the examination of the legality of contracts signed by the procurement organizations that these agreements had not been drawn up thoroughly, that they lack definition of the consequences that might arise if the sides fail to fulfill the terms of the agreement and do not specify the level of responsibility of the parties and, most importantly, do not indicate the terms of validity of the contracts. The agreements are being drawn up in general terms, merely indicating the type of goods to be sold. This shows the managers' illiteracy in signing these agreements as well as demonstrating their ignorance of the laws under a market economy. If they were aware of requirements for drawing up agreements and still allowed these mistakes, this could be evidence of malice and personal financial interest in designing these documents, and the results of future inspections ought to shed light on it.

Uzbekistan: Minister: Macroeconomic Stability Achieved

LD2607170196 Moscow INTERFAX in English 1634 GMT 26 Jul 96

[FBIS Transcribed Text] TASHKENT, July 26 (Interfax) — Uzbekistan is one of the first CIS countries to come out of the crisis and achieve macroeconomic stabilization, Uzbek Foreign Minister Abdulaziz Kamilov said Friday at a briefing on the results of the economic development in the first half of 1996.

The statement was confirmed with concrete examples by Uzbek presidential adviser Vyacheslav Golyshev. He said the gross domestic product for the first half of 1996 totalled 108.4 billion soms (exchange rate of July 24 was 38 soms for $1), an increase of 1.4 percent over the same period last year. Industrial production totalled 196.1 billion soms, a 5 percent increase over the first half of 1995.

Golyshev said basic macroeconomic prognoses for 1996 predicted a 1.5 percent fall in GDP, but now Uzbekistan is expected to preserve GDP at the 1995 level. As for industrial production, it is expected to grow at least 5-6 percent by the end of the year.

Average monthly inflation in the first half of 1996 totalled 4.4 percent, said Golyshev. He recalled that prices for energy supplies, grain, transport services and public utilities were freed in March and April. He said the government expects monthly inflation not to exceed 2 percent by the year's end.

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Azerbaijan

Azerbaijan: Foreign Minister Receives Japanese Delegation

NC2607202996 Baku Radio Baku Network in Azeri 1800 GMT 25 Jul 96

[FBIS Translated Text] A delegation headed by Rio Takaji, chief adviser at the Economic Development Department of the Economic Cooperation Bureau of the Japanese Foreign Ministry [name and title as heard], has arrived in Baku.

The main purpose of the delegation's visit is to ascertain the leading [economic] sectors of Azerbaijan and the possibilities for technical assistance.

Azerbaijani Foreign Minister Gasan Gasanov received the Japanese delegation today.

Rio Takaji stated that this is the first delegation dispatched by the Japanese Government to ascertain the amount of economic assistance to Azerbaijan. The Japanese diplomat highly assessed the Japanese involvement in the implementation of the [oil] contract of the century. He noted that the Azerbaijani-Japanese ties are on the rise at the level of private enterprises.

Japan's interest in our country is explained by our country's geopolitical position and its location at the crossroads of the trade routes between Asia and Europe.

Foreign Minister Gasanov stated during the talks that interstate relations between Azerbaijan and Japan are developing rapidly and the Japanese delegation's visit will serve the consolidation of these ties.

Azerbaijan: Aliyev Orders Cabinet To Produce Reform Plans Within 5 Days

LD2607184696 Moscow INTERFAX in English 1712 GMT 26 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Geydar Aliyev has given the cabinet five days in which to submit proposals for effective management of the country's economy and reforming its welfare system, the presidential decree published on Friday says. IF NOTE: In a speech to the two-day cabinet meeting on June 18-19, Aliyev lashed out against the cabinet's mishandling of economic management and government reform. He accepted Prime Minister Fuad Guliyev's resignation "on health grounds" and dismissed as many as eight ministers and department chiefs for mismanagement and corruption.

The economics ministry is [illegible] until September 1 to come up with concrete projects and programs for industrial reform as part of an economic restructuring plan while the cabinet is told to provide appropriate funds in the next year budget.

The State Oil Company of Azerbaijani Republic, SOCAR, is instructed to rectify the mistakes made and ensure the sales of petroleum products.

One other state company, Azerkhimiya, is told to pay $5 million-worth of tax after selling off the dead stock pilling up at its warehouses.

Azerenergie, a state-run power generation company, is given 10 days in which to put forward proposals for modernizing obsolete power plants and building new ones.

Azneftekhimmash company has a month in which to submit a package of proposals on structural reforms and to mend its ways.

Aliyev demanded that the country's sugar refineries straighten out discipline in line with the requirements of a market economy.

The state property committee is to take urgent measures to remove the mistakes made in the privatization campaign.

The cabinet is told to take swift measures to ensure electricity and gas supply to industrial users and households.

The government is given four weeks in which to clarify the situation with Baku's foreign debt.

The economics and finance ministries as well as tax inspectorate are instructed to draw up proposals on how to reduce widespread defaults.

Taxation and customs departments are instructed to expose individuals and companies evading tax in an effort to help raise government tax revenues.

The cabinet is given two weeks in which to come up with proposals on licensing the production and imports of alcohol and tobacco.

The trade ministry, customs committee and central bank are told to focus attention on barter trade and imports envisaging advance payment and to tighten controls of illegal exports of foreign exchange and commodities.

The government is set the task of tightening grip on bank operations, but within the framework of the country's laws. The cabinet is expected to report quarterly to the president on the placing and distribution of credits so that these are used more effectively. The prosecutor general's office and central bank are given a month in which to take measures for the repayment of overdue loans granted in exchange of government stakes in state-run companies.

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Georgia

Georgia: Georgian Defense Ministry Delegation Arrives in Moscow

LD2607100896 Moscow INTERFAX in English 0923 GMT 26 Jul 96

[FBIS Transcribed Text] TBILISI, July 26 (Interfax) — A Georgian Defense Ministry delegation, led by Defense Minister Vardiko Nadibaidze, arrived Thursday evening in Moscow.

It will take the Georgian delegation and Russian army brass several days to discuss a wide range of issues: Russian Army facilities in Georgia, the handover of part of the Georgian quota for army hardware to Russia, a schedule for the delivery of weapons to Georgia and others, a spokesman for the Georgian Defense Ministry told Interfax.

In the meantime, the coalition of Georgia's 14 leading opposition parties addressed the president and national legislature with a demand for Nadibaidze's immediate removal from office.

The opposition accuses Nadibaidze of "support for Russian imperial policies."

Georgia: Nadibaidze 'Surprised' by Warm Meeting With Russia's Rodionov

LD2707163896 Tbilisi IPRINDA in Russian 1500 GMT 27 Jul 96

[FBIS Translated Text] Tbilisi, 27 Jul — An IPRINDA correspondent has been told by the Georgian embassy in Moscow that the atmosphere at yesterday's meeting between the Georgian and Russian defense ministers was so warm that it surprised Georgian Defense Minister Vardiko Nadibaidze. According to the source, Russian Defense Minister Igor Rodionov said that he was pleased with the first improvements in the sphere of cooperation between the two countries' Armed Forces and will make efforts to build on these improvements. He said that it was noteworthy that the first steps in this direction had been taken by the Georgian side.

The source also said that a protocol on the timetable for provision of more arms to the Georgian army will be signed at 1800 today. This is the document that had been jointly drawn up by Vardiko Nadibaidze and Pavel Grachev, former Russian defense minister, and should have been signed on the day of the latter's resignation.

The Georgian delegation will return to Tbilisi later today.

Georgia: Ministry Lauds Military Cooperation Treaty With Russia

LD2807153896 Moscow ITAR-TASS in English 1421 GMT 28 Jul 96

[By Tengiz Pachkoria]

[FBIS Transcribed Text] TBILISI, Jul 28 (Itar-Tass) — Georgia's defence ministry said on Sunday that a military cooperation treaty with Russia, signed on Friday, will be of much help to the young Georgian army.

The ministry's statement, released after minister Vardiko Nadibaidze's return from a two-day Moscow visit, emphasized that the minister was the first foreign military official received by newly-appointed Russian Defense Minister Igor Rodionov.

Prior to the visit, the Georgian military kept silence about Rodionov's appointement, most likely because he had been the Tbilisi commandant in April 1989 when a number of civilians were killed in a clash between troops and participants in a rally for Georgia's independence.

However, Georgian leader Eduard Shevardnadze recently said that the blame for the massacre should not be put on the military but on those leaders who had taken a political decision to use force against the protesters.

Georgia: Moscow Embassy Official Comments on Georgian-Abkhaz Talks

LD2707184996 Tbilisi Radio Tbilisi Network in Georgian 1700 GMT 27 Jul 96

[Telephone interview with Kakhaber Shartava, third secretary of the Georgian embassy in Moscow about the Georgian-Abkhaz talks in Moscow — live; monitored in progress]

[FBIS Translated Text] [Shartava] Two main questions were discussed. The first was our delegation's proposal that Gali District, which will be covered by the peacekeeping forces' broader mandate, should be considered within its old borders. It proved impossible to get the Abkhaz side to agree to this proposal. They are opposed to it. The second issue concerns cooperation between the peacekeeping forces and the local authorities in Gali District. According to our proposal, there should be cooperation with both an Abkhaz authority and the Georgian authority. There was certain opposition to this on the part of the Abkhaz side.

The Russian side supported our delegation's proposals. They put forward an initiative expressing their readiness to talk to the Abkhaz leadership and Vladislav Ardzinba

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personally in order to secure their agreement on both issues. First, Gali District should be considered within its old borders, and the return of people, the program for the return of refugees, should cover Gali District within its old borders. At the same time, the peacekeeping forces should cooperate with representatives of both the Abkhaz and Georgian sides in the local authorities.

As you can see, today's meeting again failed to produce any specific results or agreements. The consultations were adjourned. They will probably resume in some form next week. Whether they will produce any results will depend on the outcome of the Russian side's initiative to talk to the Abkhaz side. If it proves impossible to secure the Abkhaz side's agreement on these issues, then both the Russian and Georgian sides will support the withdrawal of the peacekeeping forces from the region as they will have no function.

Georgia: Moscow Threatens Peacekeeper Pullout From Abkhazia

LD2707162796 Tbilisi IPRINDA in Russian 1500 GMT 27 Jul 96

[FBIS Translated Text] Moscow, 27 Jul — An IPRINDA correspondent has been told by Ramaz Sichinava, Georgia's authorized and plenipotentiary representative in the Russian Federation, that at the Georgian-Abkhaz consultations in Moscow today, the Georgian side was refused an expansion of powers for the CIS peacekeepers in the conflict zone. According to Sichinava, Russian Deputy Foreign Minister Boris Pastukhov, who is taking part in the talks, said that if the current situation persisted, the peacekeeping forces will be forced to withdraw from the conflict zone.

The consultations are expected to continue until 30 July.

Georgia: Woodruff Reportedly Killed on Russian Intelligence Orders

NC2607150496 Yerevan NOYAN TAPAN in English 0930 GMT 26 Jul 96

[FBIS Transcribed Text] Yerevan, JULY 25 (Noyan Tapan) — US Ambassador's to Georgia Assistant Woodruff was killed two years ago, when returning from an excursion together with Head of Shevardnadze's Security Service. An official version suggested that a drunk man in uniform attempted to stop the car in which Woodruff and Georgian official were travelling and rob the passengers. However, as the car did not stop, he fired from Kalashnikov assault rifle only once and shot Woodruff right at the back of the head. That man was arrested and sentenced to a lengthy term in prison.

Now after two years since the murder, Georgian Security Minister Shota Kviraya appears with what can be described as a sensational statement, regarding the murder of the US diplomat. He alleges that Georgian law enforcement officials have arrested a certain Teymur Maskhuria, a prosperous businessman, who earlier served for Mkhedrioni formations. Kviraya claims that the detainee is an agent of the Russian intelligence service, known under the code number "21". He was one of the closest friends of former Chief of the Georgian Intelligence Service Igor Giorgadze. Kviraya alleges that on Giorgadze's orders Maskhuria organized attempt on Shevardnadze's life in August 95. The assassination of Woodruff was also schemed by Maskhuria jointly with the Chief of Shevardnadze's Security Service.

According to Kviraya, both terrorist acts were organized by Igor Giorgadze, who is presently hiding in Moscow. The Georgian Interior Ministry have been negotiating the extradition of Giorgadze for six months. Kviraya claims that Giorgadze killed Woodruff on Moscow's orders taking him for CIA's agent.

Georgia: Security Services Name Killers of U.S. Diplomat Woodruff

LD2607182796 Tbilisi SAKINFORM in Russian 1750 GMT 26 Jul 96

[FBIS Translated Text] It has become known from reliable sources that the Georgian security services have managed to establish new circumstances surrounding the killing in 1993 of Fred Woodruff, an employee of the U.S. embassy in Georgia.

The mastermind behind the killing was Igor Giorgadze, the former chief of the Georgian Security Service, who was carrying out orders from the Russian secret services. The identities of those who actually carried out the killing have also been established. They are Edlar Gogoladze, the former head of the Georgian president's personal bodyguards, and Teimurz Maskhulia, an agent of the Russian special services and member of the disbanded Mkhedrioni paramilitary formation.

We will remind you that at the time, a former member of the Georgian National Guard was accused of the killing. He was sentenced to 15 years' imprisonment.

Georgia: Security Ministry Denies Linking Envoy's Death to Russia

LD2707132296 Tbilisi CONTACT INFORMATION AGENCY in Georgian 1215 GMT 27 Jul 96

[FBIS Translated Text] Tbilisi [no date as received] — The press center of the Georgian Ministry of State Security issued a statement on 26 July concerning a

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report by Kavkazpress [as received] published in the [Georgian newspaper] REZONANSI that U.S. Embassy official Fred Woodruff had been killed [outside Tbilisi in 1993] on the orders of Russian intelligence.

The statement says that the report does not correspond to reality. Moreover, it is totally false as neither the state security minister [Shota Kviraia] nor other senior officials have ever stated anything similar to that. The theory linking Russian special services to Woodruff's killing was concocted by the authors of the article. Attributing such a statement to the leadership of the Ministry of State Security is an immoral and illegal act, which violates the law on the press.

The statement says that Woodruff's killer, who was arrested by the Ministry of State Security a long time ago, has been convicted and is now serving his sentence.

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Estonia

Estonia: Premier Discusses Current Issues With U.S. Envoy

WS2407132496 Tallinn BNS in English 1000 GMT 24 Jul 96

[FBIS Transcribed Text] Tallinn, Jul 24, BNS — Estonia considers it possible to successfully finish border talks with Russia before the end of this year, Prime Minister Tiit Vahi said during a meeting with U.S. Ambassador-at-Large James Collins.

If there is mutual good will, the talks can be finished and a border agreement concluded after the delegations have completed work on technical matters in September, Vahi was quoted by the government press office as saying.

The prime minister said the fact that technical work could be finished soon showed that Estonia had no territorial claims to Russia. But Vahi also stressed the importance of the Tartu peace treaty, which Russia has refused to mention as still valid in the new border treaty.

Collins, in Estonia for a visit, asked about the draft agreement on preference trade terms between Estonia and Russia, and whether it was possible to implement the accord in the near future.

Vahi expressed hope that the treaty on most-favored status in trade can be signed this year too.

The Estonian prime minister said he saw good opportunities for improving the relations with Russia if Viktor Chernomyrdin continues as prime minister. He said the relations between the two countries should be based on pragmatism, a good sense of reality and good will.

Also discussed during the meeting were U.S. investments in Estonia. Collins said major American corporations were interested in making investments in Russia.

Vahi spoke at some length about efforts of the Estonian government aimed at the integration of Russian-speakers into the country's society.

The U.S. ambassador-at-large said Estonia's policy toward ethnic Russians was fully in line with the requirements set by the international community.

Collins, in the Estonian capital until Wednesday morning, also met with President Lennart Meri and Foreign Minister Siim Kallas.

Estonia: Government Approves Sea Border Agreement With Latvia

LD2407181196 Moscow INTERFAX in English 1529 GMT 24 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The Estonian Government Tuesday approved an agreement on the sea border with Latvia and decided to forward it to the parliament for ratification, Estonian Foreign Minister Siim Kallas told a news conference in Tallinn.

The agreement provides for the division of sea territories and economic zones of the two countries in the Bay of Riga and is intended to put an end to the problems caused when Estonia unilaterally established a sea border in 1993. As a result, Latvian fishermen were deprived of a traditional fishing region near the Estonian island of Ruhnu.

Latvian Prime Minister Andris Skele and Estonian Prime Minister Tiit Vahi signed the agreement in early July.

Estonia: Foreign Ministry Sends Note to Russian Embassy About Border

LD2507125296 Tallinn Radio Tallinn Network in Estonian 1200 GMT 25 Jul 96

[FBIS Translated Text] The Estonian Foreign Ministry presented a note to the Russian Embassy in Tallinn in which clarification is requested in connection with the introduction by Pskov Region of a no-go zone adjacent to the Estonian and Latvian borders. The Foreign Ministry asks in its inquiry for explanation as to how the introduction of the zone will affect the simplified border crossing procedures in force in southeast Estonia as well as the legal status of the Estonian citizens who live in the zone.

The Pskov region administration introduced the 5-km-wide no-go zone in the Estonian and Latvian border sections in June. One can stay within the zone only with a special permit. In practice, the no-go zone has not been enforced yet.

According to the Foreign Ministry's press secretary, Estonia has so far no official information about the introduction of the no-go zone. Estonia would like to know the procedure for gaining entry into the border zone, which departments one has to approach so as to gain entry and how much it costs to obtain an entry permit.

According to BNS, the no-go zone covers several village soviets on the other side of the border and the town

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of Pechory, with its railway station and monastery. Patrols of the Russian Northwest Border District check for permits and among other things, they are allowed to carry out military and operational activity, which in other words is intelligence.

Estonia: Bank Buys Promissory Notes From Israeli Weapons Company

LD2907130596 Moscow INTERFAX in English 1131 GMT 29 Jul 96

[FBIS Transcribed Text] TALLINN, July 29 (FIA-Interfax) — Estonia's Commercial Savings Bank (Eesti Hoiupank) has bought Estonian governmental promissory notes worth $42.8 million from the Israeli Military Industries state company.

Estonian Defense Minister Andrus Oovel and Chairman of the bank Olari Taal told a press conference in Tallinn on Monday that in 1993 the Estonian government issued promissory notes worth $55.4 million against the purchase of weapons in 1992 in Estonia's largest deal of this kind, and passed them to the seller-company.

The Estonian government has already repaid the promissory notes for 1994 and 1995 ($12.6 million). The rest of the sum is to be repaid by the Eesti Hoiupank by February 1, 2000.

Taal announced that part of the promissory notes will go to his bank's investment portfolio and the other part will be sold. The deal is the largest in the history of the bank, he said.

Oovel said that the arms deal had helped the government to arm 12,000 servicemen with automatic and sniper rifles, anti-tank and anti-aircraft guns, and ammunition, and equip them with communication systems.

It was the first purchase of weapons after Estonia's independence was restored in August 1991, which helped "break the blockade of arms supplies to Estonia."

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